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World News

Thursday April 6 1989

D 8523A

#### Gorbachev looks for UK support on arms cuts

Mikhail Gorbachev, Soviet leader, is looking for the sup-port of Mrs Margaret Thatcher, UK Prime Minister, during his visit to Britain, to accelerate. the negotiations on conventional arms cuts in Europe and the banning of chemical weap-

He is also expected to come up with proposals on closer co-operation between West and East Europe, possibly through the creation of some kind of institutional link in line with his concept of "a common European house." Page 16

Vietnam withdrawal Vietnam announced it wouldwithdraw all its troops from Kampuchea by the end of Sep-tember, regardless of whether or not a political solution to the conflict had been found.

Kosovo chief quits Remzi Koljgeci, President of Yugoslavia's troubled southern province of Kosovo resigned, citing his "objective and per-sonal responsibility for the situation in the province." Ear-lier story, Page 2

Haiti emergency Haltian leader General Prosper Avril declared a nationwide. state of emergency after sol-diers from the Dessalines Battalion called on him to resign as President, Page 3

Palmer man charged A 42-year-old Swede is to be charged with the murder of : Mr Olof Palme, former Prime Minister who was shot deed on a Stockholm street three years ago, Page 2

Boost for Gadaffi

Soviet Union has said libys advanced lighter bomber jets which give Coloned Mulamana. Gadatil's government for greater capability to strike long range targets in the Middle East, according to the US.

Bonn recalls enwoy. West Germany recalled its ambassador to Bucharest inits sharpest reaction yet .... against human rights viola-tions in Romania. Page 2

Argentina devalues Argentina's new economic team devalued the sustral by 21 per cent, introducing an disciplination officially fixed rate of 20 austrais to the US dollar from 15.8.

Beirut gun duels Syrian and Christian forces continued their artillery duels in the Lebanese capital Beirut increasing the death toll in the latest outbreak of lighting

to more than 130. Page 4

Italian strike Government offices were heavily depopulated by a national strike marking the opening of hostilities between ministers and Italian trade unions over civil acrylce pay.

Richard II

Richard M. Duley, eldest son of the Democratic boss who ruled Chicago for 21 years, was elected mayor of Chicago in a landslide victory which broke six years of black control of City Hall. Page 3

\$12m forgery West German police arrested three men and seized \$12m in \$100 notes produced in a workshop in the rural Odenwald region south of Frankfurt.

die Stock Enchange was firmly rejected by the stock exchange heads of Sweden; Denmark, Norway and Finland. Page 21 MARKETS

Federal Funds 9%% Los (9%) DM1.5729 (1.6700)
3-min Treesury Bills: FF6.3175 (6.6315)
yield: 9.125% (9.093) SF7.6415 (1.6316)
Long Bond: 9813 Y131.75 (190.90)
(98.2)
yield: 9.022% (9.077)

STREET STORMS
New York closing
\$1,7025 (1,7070)
London:
\$1,7000 (1,7850)
DMS, 1825 (3,1900)
FF:10,7400 (10,7875)
\$F:2,7900 (2,7850)
Y224.00 (222.50)
DOS EAR DOLLAR New York clesh Jan 1989 Apr DM 1,87075 (1,868) FF-6,3140 (6,368) West RATES 8(71,645) (1,8320) Y131.575 (130.90)

DM 1.8729 (1.8700) New York, latest 3-month interbenic Comex June close 15 % (13 %) \$388.6 (390.8):

STOCK HIDICES New York closing Dow Jones Ind. Av. 2,304.80 (+6.60) S&P Comp 298.25 (+0.92) FT-SE 100 2,078.2 (-4.6) 144.09 (Tue) Tokyo Nikkei Ave

33,360,79 (48,54). Commerchan 1,679.3 (+6.2) Brent 15-day (Argus) \$19.70 (-0.20) (April) West Tex Crude \$20,255 (-0.10) (May)

Enrope
Companies
America
Companies
Companies
World Trade
British
Companies

The punishing pursuit of Pakistani profits Attempting to set up business in Pakistan is frequently compared with looking for a black cat in a dark room. Since Benazir Bhutto took office she has made privatisation the watchword, with the emphasis on foreign Investment

World Guide Commercial j.aw ..... Lex ...

World Trade: Yugoslav Inflation fuels an export fire . Technology: Electronics researchers focus on ultra small devices ... Book reviews Hugo Young's biography of Margaret Thatcher ...

under East European spell ...

United States: Foreign policy strategists fall

Lext Blue Arrow, Touche Remnant, Sterling bonds, Sun Alliance ... Financial Futures \_\_\_\_ 36 Ray Materials 24 Gold 25 International bonds 21-22 Ind. Capital Markets 21-22 Letters 15 -Wall Street . 29 12

# Gift disclosures drag Takeshita deeper into Recruit quagmire

By Stefan Wagstyl in Tokyo-

Business Summary

Brussels

seeks strict

car exhaust

standards

ALL CARS sold in the EC

should conform to tough US-style controls on exhaust pollu-

tion from 1993, European Com-mission proposed, and in the meentime, existing EC volun-

tary car exhaust standards should be made mandatory

from 1991. EC Governments

will have to ratify the plan, likely to provoke strong resis-tance from France, Spain and Italy on behalf of car manufac-

ALUMINIUM prices on the

LME maintained by the close a morning breakthrough above \$2,000 a tonne. Three-month

metal added \$28 to \$2,009 a

Cash price (\$ per tonne): ....

1989 Apr

tonne — the highest level since March 15 — and traders said

the new level signalled further

gains for today. Commodities,

BASF, leading West German

chemicals group, saw group pre-tax profits soar by 44 per cent to DMS.73bn (\$7.01bn) last

ALLIANZ, Europe's biggest

ALLIANZ, Europe's higgest insurance group, took further step in its European expension strategy by buying a 51 per cent stake in Ercos de Seguros y Reaseguros, middle ranking Spanish insurer. Page 17

PIRELLI group, of Italy, universed details of plan to hive off its kine-operations and dimension them, into Dutch-registered holding company forecast to have \$3.50m sales, making it world's fifth largest type maker.

NATIONALE Nodes landen, Nefherlands' biggest insurance company, increased 1988 earn-

ings by 12 per cent but Amer third largest insurer, posted a Sper cent fall. Page 18

FRENCH Government asked

structor, to delay signing agreement with Kraftwerk

mous group. Page 18

Framatome, nuclear plant con-structor, to delay signing

Union, West German competi-bir anif a subaldiary of Sie-

MINORCO, South African-con-

trolled investment group, revealed it already has several potential buyers for the sub-stantial shareholdings in Gold

Fields of SA, Newmont Mining and Renison Consolidated it

(\$5.39m) bld for Consolidated Gold Fields of the UK was suc-

VOLVO, Swedish carmaker,

to making emergency plans to move large parts of its pro-duction to the European Com-

munity if Sweden is discrimi-nated against in future EC

EKNAULT Truck Industries, UK subsidiary of Renault Vehi-cules Industriels, French com-mercial vehicle maker, sims to break even this year after aight years of losses. Page 9

LIBERALISATION of the Japa-

nese Government bond market advanced with the launch of

a US-style auction for 10 year bonds. Page 22

JAPAN intends to extend for

another year voluntary curbs on car exports to the European

EREATION of a common Nor-

Community. Page 6

would acquire if its £8.2bn

cessful Page 17"

rules. Page 6 :

turers, Page 16 .

Aluminium

2000

Page 28

year, Pege 17

maker. Page 18

MR Noborn Takeshita, tha Japanese Prime Minister, was yesterday fighting for his political future after fresh disclosures about financial support he received from Recruit, the company at the centre of a widespread financial scandal.

Japanese newspapers revealed yesterday that Mr Takeshita received Y30m

(\$134,000) from Recruit in addition to a Y20m donation which he admitted accepting last week The gifts were made in May 1987, just as he was starting his campaign in the ruling Liberal Democratic

Nakasone as Prime Minister. The disclosures prompted opposition politicians to renew calls for the Prime Minister's resignation and for a general election. Mr Takeshita's etanding in the opinion polls has dropped to an all-time low for a post-war Japanese Premier. The ruling Liberal Demo-cratic Party is expected to stand by him at present; if only because most of Mr Takeshita's

ading rivals are also involved in the scandal.

The latest revelations show that Recruit, which had favoured Mr Nakasone and his

mid-1980s, began to greatly increase its support for Mr Takeshita when it appeared in 1987 that Mr Nakasone was on the way out.

The disclosures are likely to undermine Mr Takeshita's attempts to distance himself

from the scandal on the grounds that most of Recruit's alleged attempts to bribe lead-ing politicians, civil servants and businessmen took place during Mr Nakasone's administration

The sffair blew up last summer when it was disclosed that Becruit, a business information company, offered gifts in the

form of cut-price stock in its property affiliate Recruit Cosmos in 1986. Among the recepients was one of Mr Takeshita's aides. Thirteen people have since been arrested on bribery charges and three cabi-net ministers have been forced

her ministers have been to read to resign.

Mr Takeshita said yesterday he would check the latest allegations before commenting. According to newspaper reports, Recruit bought tickets worth Y20m to a Takeshita fund-raising party in a Tokyo hotel and tickets worth Y30m at a function nine days later. Aides pointed out that the

money was received before the controversial sales of Recruit Cosmos stock became public. This, said Mr Takeshita's sup-porters, set the Prime Minister apart from former Cabinet ministers who resigned because they continued to receive cash donations from Recruit after the scandal

erupted.
However, opposition party leaders hope to use the allegations as ammunition to discredit the LDP's attempts to defuse the scandal by promis-ing reform of fund-raising

Editorial comment, Page 14



#### Takeshita: fighting

# Solidarity legalised in pact with government

FALL AND RISE

OF SOLIDARITY

POLAND'S Solidarity trade union is to be legalised and the first democratic elections since the Second World War will be held under a historic pact con-cluded yesterday between the independent union and the

Gen Wojciech Jaruselski described the process by which the pact had been reached as a move towards socialist partiamentary democracy."
The deal, which will end the

ban imposed on the union in 1981, was agreed at a televised session of the roundtable con-ference which has brought together representatives of the Government, Solidarity and the official union OPZZ, in Warsaw for nine weeks of meetings.
Agreement came after an

eleventh-hour hitch on the question of wage indexation. Mr Alfred Miodowicz, leader of the official union, initialed the pact despite sticking to the OPZZ's demand for 100 per cent indexation of wages to price rises. Solidarity and the Government had agreed an 80

per cent linkage.

Mr Lech Waless, the Solidarity leader, said, "I think that the round-table talks can become the beginning of the road to democracy and a free Poland, and hence we lack with boldness and hope into the figure." The deal includes what Soli-

darity calls a new little ture of democracy - more independence for judges, some access for the opposition to the media, liberalisation of the right to form associations and political clubs, and an official pladge to establish local gov-ernment independence. rument independence.

Mr Walesa warned that his movement was interested in (above). Strikes begin.: ●1981: Martial law and ban on Solidarity. @1982: The right to strike is curbed. @1983: Lech Walesa wins

@1980: Solidarity recog-

nised under Lech Walesa

the Nobel prize. @1983-1988: Solidarity continues underground but membership defindles.

1986: Solida ity invited to join consultative council.

1968: Signals readiness
to accept new law; Gdansk
shipyard closurs affects
ounced; Walesa threatens.

@ 1989 Solidarity joins Round Table talks.

idarity would continue the struggle to limit the system of Communist Party appointments to key posts, as well as for cuts in military and inter-

just hearing the "beautiful" words which the anthorities had been accustomed to uttering in the past.

If Walesa signalled that Sol-

nal security. But he praised the anthorities for opening the roundtable dialogue and recog-nising that the system had to

Gen Czeslaw Kizczak, the interior Minister, who chaired the round-table talks and played a crucial role in keeping the conference going, admitted that Poland's system of government would have to be changed. But he also warned against precipitate reforms. He called on western govern-

ments to "fulfil their commit-ments to Poland" – a reference to Western insistence that further economic aid to the country would not be forthcoming until Solidarity had been legal-ised. Poland has a foreign debt

The round-table agreement marks the legalisation of three organisations which, until and the Independent Solidarity, Farmers' Solidarity, and the Independent Students' Union. In return Solidarity has promised not to hoycott antional elections in June.

Index the agreement, Parliament is to create a senate and the officer of Persident who

the office of a President, who shald be Ger Jarwelski, the chart a government opposition will enter the Seim flower than the chart and the Seim flower

house) for the first time with a 35 per cent share of the seats. The Communists have simulta-53 per cent majority. Political observers say they will accept 38 per cent of the seets although their coalition

with allied groups will have a 65 per cent majority. Equally striking is a consti-

tational reform creating a 100-member senate (upper house). Solidarity's difficulties, Page 2

#### SocGen in £50m Plan to end Namibia agreed offer for fighting **Touche Remnant** rejected

By Michael Holman in London and Anthony Robinson in Cape Town

THE South West Africa People's Organisation (Swapo) last night rejected South Africa's terms for ending fighting in northern Namibia, now entering its sixth day. Swapo is now in an invidi-

Mr Sam Nujoma, its leader, has to choose between sustaining a battle he cannot win, or

a humiliating climbdown.
But continued fighting will
place the settlement plan for
the territory under intense strain, and provoke further criticism of the UN for its failto keep the protagonists

Under the ceasefire offered by South Africa yesterday, the UN was expected to supervise the surrender of Swapo guer-rillas at designated points in

northern Namilia.

They would then be escorted by the UN to bases in Angola beyond the 16th parallel, more than 100 miles month of the country's joint border.

The proposal was made by Mr Pik Botha, the South Afri-can Foreign Minister, in a let-ter to Mr Javier Perez de Coel-lar, the UN Secretary General. The letter added that "a further 300 armed Swapo crossed the border from Angola last

In a short-wave radio broadcast in Namibia, Mr Botha said: "Swapo must surrender, lay down their arms, hoist a white flag — then nothing will happen to thesu."

In an earlier letter sent on Tuesday to Mr Perez de Cuel-

'Protocol' released, Page 4 Continued on Page 16

By Nikki Tait in London and George Graham in Paris

SOCIETE GENERALE, the privatised French bank, yester-day announced a £50m (\$85m) agreed offer for Touche Remnant, ending speculation sur-rounding the unquoted, London-based fund management

group.

The deal is the latest in a series of ownership changes among independent UK fund management groups.

European banks have already been fairly prominent acquirers: Dresdner Bank, for example, hought Thornton Management last year, while Bank in Liechtenstein made a recommended bid for GT Management in February.
On the one hand, the British groups are seen to offer equity

investment expertise, which tends to be more advanced in the UK. On the other, the European banks have distributive capacity and can give smaller fund management groups financial muscle.

Valuations of fund management companies have also fallen fairly sharply following the 1987 stock market crash, leaving them vulnerable to

In the case of the Société Générale offer, the deal creates combined funds under management of £17.6bn. Of this, £14.8bn is with the Paris-based group, the largest privately owned bank in France.

**Touche Remnant contributes** about £2.8bn - about £1.18bn to investment trusts, £1.24bn in institutional money, and some £350m in unit trusts and private clients.

The company was the largest manager of investment trusts in the UK until a successful

sseem ner by the freith fool Pension Funds for TR Indus-trial & General, its biggest flagship trust, last autumn

These trusts have histori-cally been the only holdens of shares in Touche Remnant although Liberty Mutual, US insurance group, was allowed to acquire 15 per cent last sum-

Société Générale's executives have for some months been examining ways of counter-at-tacking competition in the group's domestic market by penetrating other markets. Yesterday, it explained that the Touche Remnant deal was part of a continuing strategy to develop its international investment management busi-

For Touche Remnant, the offer ends more than two years of speculation. In late 1986, talks with Metropolitan Life of the US were disclosed and when these fell through, boardroom differences emerged.

There has since been a series of attacks on the various trusts, with other trusts exer-cising their pre-emptive right to buy out the shares in the

fund management group. The offer comprises a cash consideration of 230p a share, or a total payment of just

trusts and Liberty Mutual. Taking account of options held by directors and employees - which are now likely to be exercised and replaced by a new scheme - the total consideration amounts to about

Lex, Page 16: Background, Page 17

#### Gatt nears agreement on terms for agricultural trade reform

By Peter Montagnon and William Dullforce in Geneva

THE General Agreement on Tariffs and Trade is "near agreement" on the terms for negotiating reform of world trade in agriculture, Mr Arthur Dunkel, its Director General said yesterday.

His statement to the formal

opening of this week's talks designed to restore momentum designed to restore momentum
to the Uruguay Round of multi-lateral trade negotiations was
his most optimistic yet over
the prospects for agreement.

The talks follow the stalemate reached in Montreal in.

mate reached in Montreal in.
December when the European
Community and the US
clashed bitterly over long-term
objectives for farm reform.
Their formal opening yesterday was adjourned after less
than an hour to allow intensive discussions on agriculture
to resume in the hope of an to resume in the hope of an early, breakthrough which would then facilitate agreement on other outstanding Uruguay Round issues. These are intellectual property rights, textile trade reform and safeguard rules which allow coun-tries to protect industries bit

CONTENTS

by a sudden surge in imports.
Delegates said considerable progress had now been made in defining long-term goals for farm reform. None the less, they added, they were facing a tough struggle to persuade the European Community to drop two demands which could still iconardise the farm talks.

These were its insistence on being allowed to "rebalance" cuts in protection for one farm commodity with increases on snother and its claim that an aggregate measure of support rather than commedity and policy-specific yardsticks should be used to establish an immediate freeze on farm sup-

Southern EC countries are insisting on the use of an aggregate measure of support since it would result in a more flexible freeze, which would leave untouched products of key interest to them such as fruit and vegetables. Some European delegates said it might be necessary to

call a meeting of their 12 farm ministers before the EC could

alter its position on the freeze. This would have to be in Luxembourg and could not take place before tomorrow, delay-ing the talks here.

The idea of rebalancing, which would allow the EC to increase supports on cereal substitutes such as soyabeans, was necessary if European farm ministers were to be able to their domestic constituen-

However, the EC was grow ing isolated yesterday, with both the US and the 13-nation Cairns group of independent farm producers saying they could not accept its rebalancing concept or the aggregate measure of support mechanism for implementing the freeze.

The Cairns Group has been seeking a package involving a firm long-term commitment to

farm reform and an immediate freeze of farm support, to be followed by a cutback by a fixed percentage in 1990 as a down payment towards long term reform.

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Weather ..

Technology -

# Leningrad party leaders seek to explain defeats at the polls

N CONTRAST with the heady days of August, 1980, when the Solidarity

movement burst on to the European political stage, there was little immediate suphoria last night as Polish television announced that the round-table talks had ended, opening the way for the banned union's return

Mr Lech Waless admitted at

lunch yesterday, at what was probably the union steering

movement too soon, and suspi-cion of the compromise reached with the authorities.

It highlights the uncertainties facing Solidarity and, indeed, the country, after the past two months of talks in Warsaw. The talks have restored the union and provided an intrinsic political.

vided an intriguing political settlement with elections

planned for June, but little else

beside.
The official OPZZ union, set

np in 1982 to replace Solidarity,

has also served notice it intends to fight for shopfloor support. At present it claims 7m members, many of whom are likely to drift away to Lech

Walesa's camp.

By John Lloyd in Moscow LENINGRAD'S Communist party leadership, seeking to pull itself together after many of its senior figures were defeated in elections last month to the new Soviet par-liament, has blamed public frustration with poor housing, lack of consumer goods, a deteriorating environment and rising crime for their hamiliation at the polls.

One of the principal speakers at a plenum of the regional and city parties on Tuesday was Mr Yuri Solovyov, first secretary of the regional party and a can-didate member of the Soviet polithuro. He failed to he elected, together with Leningrad's mayor and deputy mayor the first secretary of the city party and Mr Solov

yov's own deputy.
Yesterday's report of the meeting included no mention of calls for his or other resignations, or of criticism of him thoogh some influential voices are now calling for that. A statement issued after the plennm said that it "bad assessed in an uncompromising way the performance of

party organisations, ideological personnel and mass media bod-

THIRTY-THREE years after Mr Nikita Khrushchev denounced Stalin as a tyrant, the former Soviet leader's "secret speech" to the 20th Communist Party Congress has finally been published in Moscow, Reuter reports. Soviet television announced yesterday that the speech was in the latest edition of the monthly News of the Central Committee of the Communist Party of the Soviet Union. Publication of the speech by Khrushchev, who died in 1971, corner against the speech to the programmer of the party report in a speech to the present the speech to the present in a speech to the programmer of the party reports the speech to the programmer of the party reports the speech that the programmer in a speech to the programmer in the party reports the programmer in the party party party in the party part in 1971, seven years after being removed from power in a Kremlin coup, had been widely expected.

ies which had not always been up to the standards required y perestroika. In this situation, many party

sion." Speakers stressed that relapses into the "administer by command" style of party work were still making themactivists proved unable to conduct a keen political discus-Figures on the results

will be hugely dominated by the Communist perty, whose members make up 87.6 per cent of delegates.
However, many of the remaining 12.4 per cent appear to be staunchly independent souls who have defeated party nominees — while among the party delegates are individuals.

who ran against favoured party candidates.

The new parliament will also be dominated by men (82.9 per cent) and by white-collar work-

released yesterday by the Cen-tral Electoral Commission con-firmed that the new parliament

ers - only 18.6 per cent are workers and 11.2 per cent collective farm workers. Of the 2,250 seats, 292 remain unfilled because no candidate

won more than 50 per cent of the vote. These consist of 160 from the territorial constituenfrom the territorial constituen-cies, 114 from the national con-stituencies and 18 from the various public organisa-tions – everything from the Communist party to the Soci-ety of Stamp Collectors – with the right to put up candidates. In those constituencies where more than two candi-dates stood and none got 50 per

cent, a run-off will be held this Sunday between the top two. In those where one or two can-didates stood and no candidate achieved 50 per cent, an elec-tion with new candidates will take place on May 14.

The turnout was high by most Western standards: 90 per cent of the 192m electorate world. The house world. voted. The lowest turnout of any republic was in Armania, 71.9 per cent, followed by the three Baltic republics of Estonia, Latvia and Lithuania, probably reflecting abstentions in areas which have shown

#### Swede to be charged with murder of Palme

By Sera Webb in

A 42-YEAR-OLD Swede is to be charged with the murder of Mr Olof Palme, the former Prime Minister who was shot dead on a Stockholm street three years ago and whose murder hunt has been dogged by one fisseo after another.

after another:
Prosecutors said they will
file formal charges against Mr
Carl-Gustav Christer Pettersson probably in the next few
weeks. They say they have
strong circumstantial evidence
against him, although they
have taken several months to
prepare their case.
Several witnesses claim to
have seen Mr Pettersson in the
area on the night of the murder, and Mrs Lisbet Palme, the
Prime Minister's widow, later
identified Mr Pettersson from a
video line-up.

video line-up. Mr Pettersson has been held in solitary confinement at a detention centre since last December. He denies murdering the Prime Minister and says he spent the night in a nearby gambling den.

#### Serbs urged to settle in Kosovo

By Judy Dempsey In

THE BELCRADE authorities are offering incentives to Serbs to settle in Kosovo, in a despur-

ate attempt to redress the sth-nic balance in Yugoslavia's southern province.

Serbs from the Serbian republic are being offered housing, high wages and other benefits if they move to the province, which last week was engulfed in fierce, battles between the police and the eth-nic Albanian majority.

The violence, which has already claimed the lives of 24 people, was provoked following changes to the constitution of

Serbia which now gives the republic greater control over the running of Kosovo. Thousands of Serbs, Monte-

negrins and even ethnic Alba-nians have left the province over the past few years, largely for economic reasons.
As a result, the migration of

the minorities has nearly turned the province into a homogeneous region. The eth-nic Albanians, the majority of allowed to return to the region after the Second World War, are thought to be slim, given the high level of unemploy-ment and deep resentment from among the ethnic Alba-nians with the way in which Mr Slobodan Milosevic, Serbia's powerful party leader, has run rough-shod over their con-stitutional rights.

French military links with Moscow resume France has resumed military contacts with the Soviet Union, Mr Jean-Pierre Chevenement, the country's Defence Minister, said yesterday, Renter reports. But he said that differences had punctuated his talks with Soviet officials. He told a news conference that Soviet and French officials had drawn up an agreement during his five-day visit on exchanging visits of officers, ships, military jour-nalists and medical personnel. Modest military contacts were halted in 1980 as part of the West's condemnation of the Soviet invasion of Afghanistan.

#### Greek left wing issues manifesto

The newly-founded Greek Left Coalition yesterday announced a 30-page manifesto, stressing the new image with which it intends to launch its pre-election campaign, AP reports from Athens. The coalition said it seeks to avoid the harsh language of previous communist party programmes while moulding a more "realistic" outlook on life.

Founded in January, the coalition links the Moscow-oriented Greek Communist Party

ented Greek Communist Party (KKE) and the Eurocommunist Greek Left (EAR).

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#### Swedish nervousness Bonn pulls on EC single market out envoy

SWEDISH INDUSTRY is in a strengthening the European mood of uncertainty and appremood of uncertainty and apprehension about the impact on its activities of the economic integration of the European Community by the end 1992, the country's most powerful industrialist, Mr Peter Wallenberg, admitted yesterday.

He suggested to a conference oo the future of Europe that companies were so concerned about their future trading within the EC that the current trend of increasing Swedish investments and company acquisitions was likely to continue for reasons of self-protectinue for reasons of sair-protec-tion. Companies had no clear idea of the exact shape and form of Sweden's relations with the EC in the 1990s. Mr Wallenberg also warned that Sweden stood "the clear risk of falling behind in its eco-

nomic development" if employers did not have access to the EC's internal market "without discrimination."

While admitting that he had "no practical solution" for the troubles of Swedish industry, as per cent and 41 per cent he did express some scepticism about the possibilities of to the EC.

second pillar in Europe as suggested by Mr Jacques Delors, the European Commission president, in January and acted upon at the recent Efta summit conference in Oslo.

There is always a risk when you try to pull together coun-tries with clearly different ambitions in the different economic fields, that the rule of

the lowest common denomina-tor will apply," he said. Volvo, the Swedish car-maker, is making plans to move large parts of its produc-tion to the EC if Sweden is discriminated against in future EC rules, AP-DJ reports from

Oslo.

"If we, as a Swedish company, lose too much on being treated as outside the EC, Volvo must naturally take the consequences and become an EC company," said Mr Krister Goeransson, the head of Volvo's information office. Volvo car and truck divisions export

#### Aid blocked for regions hit by shipyard closures

EUROPEAN COMMUNITY governments yesterday gave the initial go ahead to three sets of common standards for health and safety at work. West Germany, France and the Netherlands blocked a jobs in regions hit by shiphuilding closures. The cash isters for final adoption, would assist small businesses Mrs Vasso Papandreo and help attract risk capital. Spain and Portugal would be the main beneficiaries of such a scheme, blocked by its three

opponents on the grounds that shipyard closure areas were already being helped by the EC's social and regional funds. As expected, member states agreed on common rules for the Netherlands blocked a Commission plan, at a meeting of social affairs ministers, to set aside Ecu200m (£130m) over the two years to 1990 to boost now go to the European Parlia-Mrs Vasso Papandreon, the social affairs commissioner.

#### **EC** seeks earlier common frequency for radio pagers

By David Buchan in Brussels

THE European Commission took its quest for better crossfrontier communication a step further yesterday by asking EC member states to speed up introduction of a system allow-ing Europeans to "bleep" each other on a single radio fre-

quency.
The Commission wants all EC states to start introducing in January 1992 the European Radio Messaging System (ERMES). Under present arrangements negotiated in CENTER of the European Inc. CEPT, the European grouping of telecommunications authorities, introduction of ERMES in the 12 EC states will be stag-gored between 1991 and 1995.

A major technical reason for this staggered timetable, says the Commission, is that some the Commission, is that some EC states are now introducing intermediary "bleeper" systems on 466 MHz on the UHF wave band. The Commission says that on the experi-ence of the UK, which among EC states echoes most to the sound of "bleepers", this UHF channel will be saturated before 1991.

argues, all EC states should go straight in three years' time to the ERMES system on a 169.4 169.8 MHz frequency, said by CEPT to be adequate for the

# to Romania

By Lestie Colitt

WEST GERMANY yesterday recalled its ambassador to Bucharest in its sharpest reac-tion yet against human rights violations in Bomenia. Earlier this week the Romanian ambassador in London was withdrawn in protest at Britain's alleged "anti-Roma-

nian policy." The two moves highlight the growing isolation from the West of President Nicolae

The Bonn Foreign Ministry said Dr Klaus Terfloth, the ambassador, was recalled yes-terday. He was refused access by the security police last Monday to a prominent Roma-nian dissident.

A session of the West German-Romanian Joint Eco-nomic Commission was also postponed by Boan which is the East European country's most important Western trading partner.

The measures follow mount-ing criticism of Romania's human rights policies by West-ern countries. West Germany, however, softpedalled its criti-cism out of fear for the nearly 200,000 ethnic Germans in

An average of 14,000 ethnic emigrants are being brought out each month in exchange for West German payments. Dr Terfloth had attempted to deliver a letter from Mr Hans-Dietrich Genscher, the West German Foreign Minister, to Mr Cornelin Manescu, a for-mer Romanian Foreign Minis-ter and ex-president of the UN General Assembly.

Mr Manesca was one of six former senior officials who sent an extraordinary open letseson, It accused Mr Ceauseson of violating human rights and

wrecking the economy. wrecking the economy.
The signatories attacked the
President's plan to urbanise
thousands of villages when he
was unable to provide "heat,
light, transport, not to speak
of food," to git deselver.

of food," to city dwellers.

The letter expressed "deep concern" about Romania's rapidly deteriorating international reputation and growing isolation. It called on Mr Ceansescu to halt the village razing plan, to restore human rights and stop food exports which

and stop food exports which were threatening the nation's "biological existence."
Rritain protested last January to Romania when its ambassador, Mr Hugh Arbuthnot, was manhandled by the security police as he tried to deliver a letter to a prominent dissident, Mrs Doina Cornea.

The French ambassador was also recalled last month in protest against the human protest against the human rights situation in Romania. In a further step isolating Romania, the EC said recently it was suspending negotiations on a new economic co-opera-tion agreement because of human rights violations.



General Wojciech Jarunelski (left) and Lech Walesa have concluded an historic agreement, but it has done little to resolve the uncertainties confronting Poland

Now Solidarity's difficulties begin

with the Government at the round table talks. The OPZZ, by calling for 100 per cent as the conference ended, showed that it intends to bid against Solidarity on wage issues.

Meanwhile, on the political front, the agreement on elections in June immediately embroiled Solidarity in an election campaign, which it is not

tion campaign which it is not sure it wants to take part in, or will even win. The constitutional arrangement soon to be enshrined in law, sets np a new upper chamber — a 100-seat Senate — which will be elected in Eastern Europe's first entirely free ballot since

the late 1940s.
The old Parliament remains in place, though, and here the Communist party, backed by the till now subservient official groups, the Peasant and Demoanteed 65 per cent of the 460 seats. The other 35 per cent are up for election, again in a free

To cap it all, there is to be a President (who will be General Jaruzelski) with responsibility for the army and police as well as foreign affairs, and with powers of veto over perliamentary legislation.

The elections will be fasci-

The elections will be insci-nating. It can be assumed that wherever people recognise the name on the ballot paper as being linked with the party establishment; they will vote against — rather as in the recent Soviet elections. Whom they will vote for is more of a problem.

the country previously apoliti-cal, local figures, probably with the backing of the clergy, stand as good a chance as any of getting into Parliament. Organised political groups independent of Solidarity are still too weak and will have too little time to make much of an impact.
The authorities for their part

trated in the cities. Also, the Solidarity leaders have still to decide whether to become involved. Some fear the consequences of being sucked into the system, especially in an election which will be partly rigged at least. Others think they should concentrate on building the union.

In the end, in large parts of the country previously apoliti-

will be looking for people with-out much of a political record to stand as official candidates. Whoever is elected, the vote against the authorities can be

against the authorities can be expected to be high.

This, coupled with an inflation rate which promises to exceed 100 per cent this year, and the uncertainties flowing from attempts by the authorities to streamline the economy, could produce a radical tide, pushing Mr Walesa and his advisers to question the advisers to question the uneasy compromise with the authorities.

The signals that workers especially are potentially more radical than the present Soliradical than the present Soli-darity leadership are already appearing. A poli carried out by the union's own unit last month among workers in War-saw, for example, showed 85 per cent calling for fully-free elections and almost one third saying Solidarity should boy-cott the June elections if the seats were divided up as indeed they have been.

The opposition is weak in the provinces, most of its well-known names are concen-

# Walesa's camp. Backed by party conservatives, the OPZZ leader, Mr Alfred Miccowicz, who is also in the polithuro, refused a last-minute request from the General Wojciech Jaruzelski, the party leader, to accept the 80 per cent indexation formula linking wages to mice rises. Solidarity had already settled W German jobless total may dip below 2m whom are Mostem, now make up 90 per cent of the population: Efforts at what is termed recolonising. Kosovo by the Serbs, many of whom were not served or whom were not served to be serbs, many of whom were not served to be serbs.

WEST GERMAN unemployment continued to fall in March and is expected to temporarily dip under 2m for the middle six months of the year. But labour market ana-lysts see a rising trend returning in the early 1990s and little prospect of halting the rise in long-term unemployment which is now at 700,000.

The jobless number fell by 126,000 in March to 2.178m, down to 8.4 per cent of the workforce from 8.9 per cent in

February. In March last year 3.6 per cent of the workforce was unemployed. was unemployed.

The downward trend was welcomed by the Government as evidence of the success of its economic and social policies. and it said 1.2m new jobs had been created since 1983. Experts at the employers'

association, the BDA, said nobody is quite sure why the numbers are now starting to sink but that it is probably a combination of the strength of the

the economy, fewer women seeking work, and a statistical reform which cuts out several thousand people considered to be no longer seeking work.

The Federal Employment Office in Nuremberg and the RDA however are more pessimistic about medium-term developments, and officials in Nuramberg do not expect the yearly average figure for the unemployed to fall below 2m before the next century.

again, perhaps as early as next year, partly because of job cuts in the automobile industry and partly because the recent influx of Aussiedler - Germans from East Bloc countries will start to show up in the figures. Currently only 40,000 Aussied-ler are registered as unem-ployed but that does not include the recent arrivals (200,000 last year and 300,000 expected this year) who have not yet started to look for

#### Italian civil servants strike over delayed pay talks

By John Wyles in Rame

ITALIAN GOVERNMENT offices were heavily depopu-lated yesterday by a national striks marking the opening of hostilities between ministers and the trade unions over civil service pay rises. Thousands of strikers marched through Rome in pro-

test at a late start to pay nego-tiations and at the Govern-ment's insistence that pay

increases must be limited in real terms to 1 per cent. The last civil service pay agreement expired eight months ago, but the Government puts most of the blame for the delay on union tardi-ness in lodging pay demands. The civil servants are feeling particularly unloved not only because of the Government's attempt to impose a pay policy of sorts, but also because of recent investigations into

Aware of scant public sympathy for their cause, speeches at yesterday's rallies in Rome and other cities linked complaints about the Government's management of the civil service to its much more broadly unpopular raising of health service charges.

# America's strategist wizards fall under East European spell

US foreign policy experts' inclination to poke their noses into the Soviet Union's backyard may be counter-productive US must start talking with the Europe are spreading like a virus to

IKHAIL GORBACHEV is the living contradiction of the old adage that No News Is Good News. Scarcely a week passes without him hitting the headlines with some surprising and

encouraging innovation.

The trouble is that Gorbachev is a Russian, and Western foreign policy makers and commentators are not entirely sure that they like him get-ting such enthusiastic coverage. If it comes to that, Western strategists are not really keen on any good news; it puts them out of busine American strategists in particular earn their livelihood drawing up vigcrous plans for the US to save the world from disaster. The pessimistic axioms of the strategists then feed on the activist assumptions of the policy-makers, and hey presto, we get an invasion of Grenada.

Yet the uninterrupted flow of encouraging news from the East has now lasted four years, and it might be expected to have dented this perverse combination of pessimism and activism; but no. Since professional strategists do not wish to be underemployed, they invariably find ways of demonstrating that the silver lin-ing we see is really only part of an enormous cloud.

The best example of this kind of inversion, currently favoured by strategists, is Eastern Europe: the helter-skelter process of liberalisation may look encouraging, hut really it is unstable and therefore potentially dangerous, so we need to do something.

I heard several versions of this at

a multinational conference in Brus-sels last week-end. Edward Luttwak, sels last weekend. Edward Luttwak, heavyweight among US strategic hawks: "The Soviet threat has largely declined; but the danger is the highest it has been for decades, because the Soviet Union is disturbed and could be unstable." Or Zblgniew Brzezinski, one-time National Security Adviser to President Carter: "The patterns of change in Eastern Europe will likely be in Eastern Europe will likely be potentially quite violent...The cata-strophic economic situation in East Europe could precipitate in some cases – and quite soon at that – revolutionary upbeavals." At one level, this kind of skeleton-

rattling is harmless entertainment, even though it is wholly unbalanced. Of course the situation in Eastern Europe is unstable: that is not merely the inescapable consequence. it is the meaning and essence of perestroika. Therefore, of course the range of possible futures includes situations which could become dangerous. But they are not the only possible futures, nor necessarily the most probable.

What is not harmless entertainment, however, is the broad policy

recommendation now being trotted out by a growing number of these American strategy wizards: that the

and the second s

Us must start talking with the Soviet Union to negotiate a new East-West regime to ensure that the instability of Eastern Europe does not pose a threat to world peace.

Dr Henry Kissinger, ever creative in responding to the twin imperatives of pessimism and activism, seems to have started the fashlon, which has now become a stampede. As a contribution to the foreign pol-As a contribution to the foreign pol-icy review of the new Bush Adminis-tration, Dr Kissinger appears to have

IAN DAVIDSON ON EUROPE

suggested a new political deal, whereby the Soviet Union would knosen its grip on Eastern Europe, and the West would undertake not to exploit the situation to threaten

Soviet security.

The full details of the Kissinger plan have not been published; but his presentation evidently impressed James Baker, US Secretary of State. He told the New York Times ten days ago that the proposal was worthy of consideration because it had elements of "great appeal". Dr Brzezinski has a remarkably

similar plan for containing the dangers he sees in Eastern Europe's potentially unstable situation, and he laid it out in a speech to the

The West must define the conditions which it regards as essential for an end to the Cold War, and must develop a broad policy framework to bring it about. As for the conditions, the Cold War would be over when the Berlin Wall was firmly scheduled for dismantling, and when some (even if not immediately all) Eastern European states firmly scheduled free elections. The policy framework must include a comprehensive programme of staged economic and technological assistance from the West, and a new security deal.

It is this new security deal that calls for direct quotation: "Our proclaimed goal for European security ought to be the transformation of must develop a broad policy frame-

ought to be the transformation of the Warsaw Pact from an ideological to a purely geo-political alliance, designed to maintain the status quo in Europe...What is needed is an over-arching framework of security based on the two alliances, within which pesceful political and economic change can be accommodated.

"Perhaps at some point the Brezh-nev doctrine could yield to a joint East West statement, formally affirming the role of the two alliances in the maintenance of European stability, and explicitly excluding the use of either alliance for the imposition of any particular ideological orthodoxy on its members."

Europe are spreading like a virus to every corner of the foreign policy establishment. Take Manfred Wörner, Secretary General of Nato, at last weekend's Brussels conference: "And, of course, we have to discuss the future of Eastern Europe with the Soviet Union..." Or former President Richard Nixon, in the latest issue of Foreign Affairs: "The US should put Eastern Europe on the US-Soviet agenda." But in both cases the infection is mild and probably short-lived.

The Kissinger-Brzezinski version

The Kissinger-Brzezinski version of the bug, by contrast, is virulent and dangerous. The US cannot negoand dangerous. The US cannot nego-tiate a new geo-political arrange-ment with Moscow which will stahi-lise Eastern Europe, and it should not try. Washington cannot guaran-tee that West Germany will remain in Nato, and any attempt to do so would only stimulate the Germans to make for the nearest exit. Conversely, no US-Soviet deal could insure against a dangerous explosion in Eastern Europe, let alone guaran-tee that the Russians would not, in the last resort, use military force to

Insofar as we need an East-West agreement on the geopolitical frame-work of Europe, East and West, it already exists, it is called the Hel-sinki Act. II a dangerous explosion were to erupt in Eastern Europe, it More modest versions of the urge would be the result of serious errors To Do Something About Eastern by the Russians and the East Euro-

peans; but that is not something we can legislate against. Above all, it would be politically catastrophic for the US to do or say anything which appeared to endorse the legitimacy of the Warsaw Pact under Russian begemony. They created the problem, let them solve it.

As a matter of fact, a re-run of Hungary's 1956 rebellion against the Warsaw Pact is rather unlikely. Gorhachev's headlong pursuit of detente and disarmament reduces the sense of East-West military conflict, and thus the yoke of the Warsaw Pact, moreover, Gorbachev has given the Hungarians carte blanche to do virtually anything they want provided they do not leave the Warsaw Pact. Does Dr Brzezinski think that the

Does Dr Brzezinski think that the Hungarians want to be re-invaded?
Of course we should talk to the Of course we should talk to the Russians, on any and every enbject. But there is no geo-strategic deal to be cut on Eastern Europe, and we should not try. The paradox is that our most powerful influence on the evolution of Eastern Europe is exerted by Western Europe, existentially, just by being there and expressing its values. The Western system suffers from many defects, political, economic, social; cultural, but in every respect it provides the benchmark which measures the depth of the Soviet failure. And the standard they will use is the benchstandard they will use is the bench-mark of Western Europe, not that of the United States.

FINANCIAL TIMES

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charged

THE Soviet Union has sold Libya advanced fighter-bomber jets which give Colonel Muan-mer Gadaffi's government far greater capability to strike long-range targets in the Mid-dle East, including Israel, US officials said yesterday.

The Soviet sale of between 12

and 15 Sukhoi-24D fighters to Libya raises questions about Moscow's willingness to play a constructive role in the Middle East and other sensitive regions, the officials said. The Soviet arms sale was first reported in the New York

Times yesterday and came as Mr Mikhail Gorbachev, the Soviet leader, was due to arrive in London for talks with Mrs Margaret Thatcher, the British Prime Minister. The timing of the official US disclosure appeared calculated to cast a shadow over the meeting, dip-lomats in Washington said. The US and UK share the view that Col Gadaffi's govern-

ment sponsors international terrorism. In April 1986 Mrs Thatcher approved the use of UK-based US F-111 bombers to strike at Tripoli in retaliation for the alleged Libyan role in terrorist incidents in Europe.

The Soviet deal in the specific of up to 15 SU-24 bombers sale of up to 15 SU-24 bombers which have an unrefuelled flight radius of more than 800 miles. The Soviet Union has also agreed to refit a Libyan transport aircraft so it can be used as an aerial refuelling aircraft and they have offered to

train Libyan pilots. US intelligence, using eavesdropping and satellite photog-raphy, picked up the delivery of six SU-24s from Novosibirsk in Siberia to the Umm Aitqah airfield in Libya aboard an Antonov-22, the New York Times reported. The Bush administration has

CONTRACTOR

voiced concern about the arms race in the Middle East, Mr James Baker, US Secretary of State, is expected to raise the Soviet bomber sale when he meets Mr Eduard Shevardnadze, the Soviet Foreign Min-

ister, next month in Moscow.

Tha US disclosure also coincided with the arrival in Washington of Mr Yitzhak Shamir, the Israeli Prime Minister. Yes-terday US officials stressed the threat to Israel, posed by the SU-24s, which are more advanced than Libya's Mirage fighter bombers and Soviet-made TU-22s. The move is likely to be appreciated by Mr Shamir who is under pressure to produce "new ideas" ou restarting the Middle East peace process.

# in Chicago

MR Richard M. Daley — eldest sou of the Democratic Boss who ruled Chicago for 21 years — was elected mayor of Chicago in a landslide victory which broke six years of black control of City Hall, writes Lio-

Mr Daley, pictured right with his wife Maggie, beat Mr Tim Evans, his chief rival and a black Alderman, by a margin of almost 15 per cent. Mr Eddle "Fast Eddle" Vrdolyak, the Republican nominee, won only 4 per cent of the



The Daley victory means Chicago – the third largest US city and a Mid-West strong-- remains under Demo-

fered a further setback in Ala bama when their candidate Mr John Rice was trounced by a Democrat, Mr Glen Browder, in the race to fill a vacant Con-gressional seat.

#### Air Jamaica fined after drug find

By Peter Riddell, US Editor in Washington

ordered Air Jamaica to pay a fine of up to \$28.8m after find-ing nearly two tons of mari-juana on a shipment carried by

one of its aircraft.
Customs inspectors found the marijuana in a shipment of clothing after an Air Jamaica Airbus A-300 landed on Saturday at Miami on a flight from Montego Bay. The aircraft has been impounded until the airline provides letters of credit-pledging to pay the required penalties. A Customs official said he was surprised Air Jamaica had not discovered

THE US Customs Service has the drug because of the odour ordered Air Jamaica to pay a given off by such a large ship-

The US Customs Service and Mr William Von Raab, its commissioner, have recently been publicising their efforts to pursue drug smugglers as part of their case for increased fund-

A US Customs official said yesterday that the seizure reflected the service's view that "Air Jamaica did not exer-cise the highest degree of care or diligence in preventing the use of its aircraft in the conveyance of illegal drugs".

per ounce of cocaine

The fine is one of the largest imposed on an airline. While in imposed on an airrine. While in the past such fines have been reduced in negotiations with the US Customs, an official said yesterday that "because of tha number of times wa've found drugs on Air Jamaica planes we've determined to get

planes we're determined to get a fair piece of that money". Since 1980 customs inspectors have made 130 marijuana sei-zures on Air Jamaica aircraft. The US Customs operates a fixed penalty scale on drugs found on sirlines of \$500 per ounce of marijuana and \$1,000

#### Peronists gain a liberal economist

Gary Mead on the Argentine with his sights set on a ministry

HISTORY adores repeating itself in Argentina, and this week it has turned the handle once more following the resignation of the Mr Juan Sour-nation of the M rouille, the economy minister, and the most senior members of President Raul Alfonsin's

Argentina has a crop of highly talented economists capable of taking Mr Sourrouille's place. One of the most respacted is Mr Domingo Felipe Cavallo, but he would probably come lower on Mr Alfonsin's list of candidates than the most junior messen-ger boy at the Economic Minis-try.

Such an oversight is, on the

surface, surprising. Mr Cavallo has good relations with inter-national financial institutions such as the World Bank. He is also a former president of Argentina's central bank, and holds a doctorate from Harvard and his native Cordoba Univer-

But President Alfonsin's followers loathe Mr Cavallo, and have demonstrated that sentiment by a campaign of public sniping verging on the abusive.

Mr Cavallo has done the unthinkable and put his free market philosophy and liberal-ising ideas at the service of the opposition Peronist party. They make an odd couple. At 43 and currently a national deputy in the Argentine Con-

anyone might imagine.

The Peronist presidential candidate is Syrian-descended Mr Carlos Saul Menem. His image abroad is little better than a mullah in mufti. At home he frightens the upper class, whose rich life-style is a traditional target of Peronism. Although Mr Menem bas yet to nominate prospective minis-terial candidates, Mr Cavallo leads the field to become the

new Peronist Economy Minister, if Mr Menem wins the May presidential election.
Mr Cavallo wins not just because he has an image comforting to middle and upper class Argentines. It seems possible, at long last, that Peronism might be prepared to put Argentina's economic house in order it it forms the part and

order, if it forms the next gov-

Mr Cavallo retains a degree of independence – and, importantly for Peronism, credibility - since he sits in Congress as an independent deputy, although on the Peronist henches. But wby bas be joined hands with a party far removed with the liberal idealism he learnt at Harvard?

His reasoning is pragmatic: "Any future government is going to have to discipline itself to restrictions imposed by today's reality. No future

government is going to be able to finance enormous fiscal deficits as in the past. It is also imperative to free the private sector to facilitate economic

growth." Mr Cavallo is committed to a policies which would encourage banks to reinvest interest payments paid on the external debt in Argentina.

"We don't want to compulso-rily cease debt interest payments, nor are we in a position to do that. But we shall try to persuade creditors to accept our point of view. It seems absurd to us to expect countries to recreate their solvency while at the same time paying a foreign debt. In the last five years Argentina has had to remit \$12bn, which bas been invested outside the country." Mr Cavallo is not a tradi-

tional Peronist when it comes to state-run industries. Argen-tina's unwieldy and inefficient public sector is a legacy of Peron's first term of power. According to Cavallo a Menem government will, he hopes "talk much less" than the Radicals and "do a great deal more" when it comes to privatisation and deregulation.

He recognises that the necessity of clearing the dead wood from Argentina's public sector may entail unemployment.

There are many squalls on the borizon before either Mr Menem wins, or takes office in



Domingo Felipe Cavallo

December, or appoints his cabinet. But if fate smiles on Peronism and Mr Cavallo, what will he say to Mr Menem on

May 15?

"If Carlos Menem wins on May 14 my advice will be to immediately start preparing a complete and accurate budget for 1990, which is then discussed in Congress. Perhaps people will be surprised to learn that habitually in Argen-tina there are no budgets passed in a completely realistic

time and form.

We bave an economy which, having exaggerated control over the private sector has achieved that sector's set-

#### Haitian leader faces new army challenge

THREE days after a coup was narrowly averted, Haiti was yesterday again in turmoil after soldiers from the Dessalines Battalion called on Gen-eral Prosper Avril to resign as

Port an Prince.
This followed an apparent coup attempt during the night by the Dessalines, according to sources close to the army.

Schools and shops in the capital Port an Prince closed after the soldiers' message was broadcast on independent Radio Métropole. Four tanks belonging to the Presidential Guard were wheeled into position in front of the palace after the radio statement, eyewit-

The Dessalines Battalion has

until recently been considered the top military unit in Haiti but diplomats said that under Gen Avril the Presidential Guard has been given extra privileges such as higher pay. Last Sunday Gen Avril foiled a coup attempt by members of the Leopards Battalion. The the Dominican Republic on Monday.

# 8Mhz



## Bush unveils measures to improve school standards

sought to implement his cam-paign pledge of being the "edu-cation President" with propos-als to improve standards, particularly for children of poor parents and in inner The package, outlined by Mr Bush at a White House cere-mony, will cost \$422m a year.

By Peter Riddell

However, it will not be additional to existing programmes hut largely financed by cuts. Critics, including teachers' unions and educational lobbyists, have argued that the planned spending on education is less than envisaged by the Reagan administration. But, inpractice, the bulk of public spending on education is at a state and local level rather

By Gary Mead in Buenos Aires

ARGENTINA'S new economic team yesterday devalued the

austral hy 21 per cent, introducing an officially fixed rate of 20 australs to the US dollar. Previously the official rate for the austral was 15.8.

When trading appears to the control of the control

When trading opened yester-day after a two-day official bank boliday, the free rate set-tled at 43 australs.

tied at 43 australs.

After four days of deliberation Mr. Juan Pugliese, who
last Friday replaced Mr. Juan
Sourrouille as Economy Minister, confirmed speculation of a
sizeable devaluation and

Pugliese acts to calm

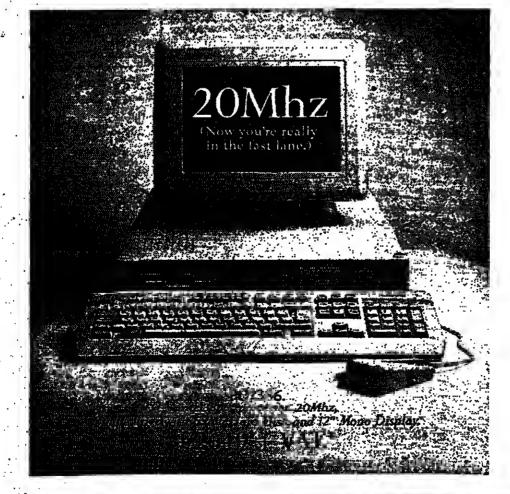
**Argentine markets** 

PRESIDENT Bush yesterday impact of Washington programmes is to highlight best practice and assist with severe

> The Bush proposals increase funding for "magnet" schools of excellence, reward first-rate teachers and good schools, provide urban emergency grants to fight drugs, establish a gramme and increase federal matching grants for the endow-ments of black colleges. Marit grants for the best US schools will amount to \$250m.

President Bush said that the proposals being sent to Congress would make "excellence in education not just a rellying cry but a classroom reality" Alternative, and more expen state and local level rather sive, proposals have been put than federal, and tha main forward in Congress.

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exchange rate adjustments.

With a presidential election scheduled for May 14, much weighs on the outcome of Mr Pugliese's new measures. He said he hoped to calm financial anxiety but added: "I cannot offer miracles." He said that our objective is to achieve a peaceful transfer of govern-ment on December 10."

Mr Pugliese, the third Econ-omy Minister of President Raul Alfonsin's government, has eliminated one of Argentina's exchange rates, the "special" rate introduced on February 6. The officially set rate (com-

US dollar) will be adjusted daily, according to government policy. The free-floating unoff cial exchange rate, used by many Argentines as an indica-tor of cost of living increases, will continue. But exporters and importer

will be able to operate using both currency markets, trans-acting 50 per cent of their business via each of the two exchange rates. This alteration implies a mixed devaluation which, on yesterday's rate for the free-floating austral, gives an effective devaluation for agricultural exporters of almost 40 per cent and for importers of all goods one of

almost 60 per cent.

There had been speculation that Mr Pugliese would also announce a big salary increase for public serve workers but he denied early such plan. Mr Enrique Garcia Vazquez, new president of the central bank, said that as civil servants had received an average 32.5 per quarter of 1989 and because inflation for March is expected to be 16 per cent, that implied a wage-lag of only 3.5 per cent

#### **IMF/WORLD BANK**

#### World Bank to make early start on US debt plan

By Peter Norman, Economics Correspondent

THE World Bank and the International Monetary Fund hope for action on the US-inspired deht reduction plan "within weeks". Mr Barber Conable, the World Bank president sold After a weeking of dent said. After a meeting of the joint IMF World Bank development committee, Mr Conable said the Fund and the Bank had a mandate to implement the plan.

Although some countries expressed reservations about the proposals for voluntary

ies could provide limited interest support for transactions reduction without a further meeting of member countries'

Meetings on Tuesday of the IMF's policy making interim committee and the development committee agreed that this controversial part of the debt proposals pot forward by Mr Nicholas Brady, the US Treasury Secretary, should be examined rather than imple-mented straight away. This decision reflected reservations by some countries such as hy some countriee euch as Britain and the Netherlands that interest support could lead to a transfer of risks from private sector creditors to tax-

payers in the West.
However, Mr Conable said that approval by the boards of the IMF and World Bank would be sufficient to give the go-ahead to interest support. That means IMF- and World Bank-eupported economic reform programmes incorporating the idea could be implemented before the next meetings of the two organisations

for commercial banks to agree to waive legal obstacles in debt

agreements.

As Mr Nicholas Brady, the
US Treasury Secretary, told
the Interim Committee of the

IMF this week: "Legal con-straints in existing bank loan agreements need to be relaxed.

In particular, the negotiation of a general waiver of sharing

or negative pledge clauses for each performing debtor would be important. "Such waivers might bave a life of three years, to stimulate debt or debt

service reduction within a rela-

tioned whether, as a practical matter, such clauses could or

should be waived. According to

neither practical nor desirable. This would not necessarily stand in the way of debt reduc-

tion, however.

The four restrictions which

most loan agreemeots with sovereign debtore since the

early 1980s.
They are designed essen-

uted to new loans, but they have not stood in the way of rescheduling and the clanses have meant that it has not

been worthwhile for banks to seek legal action to seize the

assets of debtors in default. Pari passu and negative

pledge clauses aim to ensure

equality of treatment of the loans under agreement with all

other loans to the borrower,

giving equal right of payment

and right to collateral. They ensure a prior right to security

cannot be given to one creditor

Mandatory prepayment clauses cover equality of treat-ment of all creditors in the

event of repayment prior to

but perhaps the most problem-

atic are the so-called sharing clauses that ensure equality of

treatment of all lenders in a

Specific to each agreement

in preference to another.

maturity.

tively short timeframe." Some haokers have ques-

call for debt

clause waivers

Stephen Fidler reports on doubts over relaxing legal constraints



Bank could take the form of guarantees. This would not apply to interest support from the IMF, which is barred from

issuing guarantees.

The determination to press debt and debt service reduction supported by the IMF and World Bank, the mandate of the two Washington hased bodies was clear, said Mr Conable. A IMF-World Bank task force would meet this week to start working out details of the plan. Mr Conable said the two bodies could provide limited inter
"should move expeditionsly to "should move expeditiously to develop and implement specific proposals to achieve" objective of debt reduction.

The word "implement" was a late insertion into the text and followed discussions over lunch that day in which Mr Michel Camdessus, the IMF managing director, had argued strongly against suggestions that the detailed work on the Brady proposals should be subject to ministerial review in

with the government's pro-gressive and seemingly relent-less tightening of monetary policy in order to blunt a pow-erful surge in domestic As a result, it is possible that the debt reduction plans could be finalised and operable by In an article to be published next week in Policy, a maga-zine of the Sydney-based Cen-tre for Independent Studies, a conservative think-tank, Mr the time of the next world economic summit in July. Several debtor nations, including Mexico and Costa Rica, are anxious to benefit speedily from the idea. France's Presi-Peter Jonson, a former head of research at the bank, argues dent François Mitterrand also that the experience of the past year shows that it needs a more independent role in polplans to put the debt issue high up the eummit agenda. As the spring meetings drew

to a close, support for the idea of officially backed debt reduc-Mr Jonson, now with bro-kers James Capel, attacks the failure of the bank to inform tion gathered pace remarkably. In part, this may have reflected the early departure market participants regularly of decisions which changed the on Monday from the meetings of decisions which changed the setting of monetary policy. He suggests this has undernined the desired climate of restraint and hints strongly at differ-ences between the Bank and Mr Keating.

With the current account Bankers balk at

with the current account deficit at "crisis proportions" and projections for Australia's A395m (£46.6m) het external debt "more than a bit alarming," he says: "One has to ask whether the Reserve Bank now has a clear duty to put its apparently failed, privately, to persuade the government that it needs to do more than mar-ginally alter its strategy."

Australia

**By Chria Sherwell** in Sydney

THE independence of the

been thrown under scrutiny by political controversy over the

appointment of a new gover-nor and pointed criticism of

nor and pointed criticism of the government's recent han-dling of monetary policy.

Mr Bob Johnston, the pres-ent Governor, is due to retire in July when he turns 65, and the federal government is con-templating the appointment of Mr Bernie Fraser, 48-year-old Secretary of the Treasury, who has worked closely with Trea-surer Mr Paul Keating since 1984.

However, the opposition Liberal party says the post should be filled by someone from within the central bank or the private sector to preserve the bank as a source of independent economic advice.

dent economic advice.

The government has yet to decide on the appointment, but Mr Keating has repeatedly condemned the opposition for implying that Mr Fraser was unsuitable, acclaimed the relationship he has enjoyed with Mr Johnston, and reminded people that final power overmonetary policy rests with him.

As if this publicity was not enough, the bank has also become a target in connection

central

#### **OVERSEAS NEWS**

#### Israel frees 474 Palestinians

By Hugh Carnegy In Jerusalem bank doubts

ISRAEL yesterday released 474 ISRAEL yesterday released 474
Palestinians detained during
tha 16-month-old uprising in
the occupied West Bank and
Gaza Strip in a move which
coincided neatly with the
arrival in Washington of Mr
Yitzhak Shamir, the Prime
Minister, for talks with President George Bush. dent George Bush.
The US has been pressing

Israel to take measures to reduce tension in the occupied territories and to come up with proposals for a peace settle-

ment in the area.

Israeli officials insisted that pesterday's releases – from among nearly 10,000 Palestin-ians detained or convicted before and since the beginning of the intifada (uprising) – were not connected to Mr Shamir's Washington visit. They said it reflected lessening violence and was a goodwill

gesture made before the start of the Moslem fasting month of Ramadan at the end of this But the unusually large

number of prisoners releas and the carefully-arranged presence of camera craws and reporters to greet many of the prisoners, some in their early teens, in both the West Bank and Gaza, indicated that the timing was not just a coinciderate of the coincider of t

dence.
As well as the releases, the military authorities are allow-ing some activists barred from the West Bank and Gaza to return to their families. They have lifted some curfewe and re-opened some houses and alley-ways sealed by the army.

Ketxiot prison, in the Negev desert, to a school in Bett Jalla, adjoining Bethlehem, where they were given cold drinks, fresh fruit and a lecture in Arabic by an Israeli colonel. He told them the local population was paying a high price for the intifada. "It is time everyone understood that violence and terror will lead nowhere," he said.

The detainees, looking some what confused by their surprise release, were then turned over to reporters for interviews hefore being taken home. Nabil, 19, said: "The intifade will only end when there is a Palestinian state." His words reflected the response of Pales-tinian leaders who said yesterday's measures would not dampen the unising, in which more than 400 Palestinians and

Of those released, 250 came from the West Bank. More than 100 were brought from

#### for China democracy By Our Foreign Staff

PRESSERE for democratic change from Chinese intellectuals continued yesterday when Li Shuxian, a distinguished physicist and the wife of Peking's leading dissident, Fang Lizhi, called on Peking University students to voice their ideas. She declared that for her democracy was a fundamental principle.

While the crowd was mostly silent, one young man spoke up. "I feel a kind of formless pressure that keeps me from speaking out," he said. "We all do. We want to speak out but we are afraid."

Next mouth sees the 70th

we are afraid."
Next month sees the 70th anniversary of the May 4 Movement, an anti-government campaign led by students in 1918 calling for democracy. A build-up of prodemocratic ferment is expected over the next few weeks as the leadership nervously prepares to mark what could be an embarrassing occasion. an embarrassing occasion.

A wall-poster appeared on Monday urging the university to "protect our rights of free-tion," but by Tuesday it had been taken down. A spokesman said the university would taken the university would be the university to the university to the university to the university would be the university to the university the university to the

take measures to stup-unhealthy activities. A Kinhna News Agency report said many legal experts believed the charge of count-er-revolutionary crime, fre-

enently used in the past, should be changed to "crime jeopardising state security." It would be harder to apply this definition to distidents. Intellectuals have petitioned the government several times in recent months to give annesty to political prisoners, notably Wei Jing shen, the leading "democracy wall" activist of 1978, serving a 15-

Nepalese Fresh calls attack India over 'bullying'

By K.K. Sharma in New Delhi

NEPALI diplomats yesterday NEPALI diplomate yesterday accused the Indian Government of resorting to "bullying tactics" and imposing economic sanctions against their country as petrol rationing seriously disrupted life in the landlocked Himalayan king-

India has cut its supplies since March 21, when it termi-nated its agreement with Nepal on refining crude at a nominal cost. At the same time it

cost. At the same time it refused to extend the expired indo-Napal Treaty on Trade and Transit.

Both countries have stiffened their stitludes and Nepelis are being asked to tighten their beits. The totich indian attitude towards Nepel, with which a treaty of peace and friendship was signed in 1950, arises out of Nepelis attempts to establish closer relations with China, the only other country with which it has a border.

The Indians have been particularly angered at Nepel's

The Indians have been particularly angered at Nepal's decision to buy anti-alternative apons from China, since they feel these can be used only against them. Nepal first sought such weapons from India, which has traditionally equipped the Royal Nepal Army, on the grounds that these were needed for anti-terrorist measures. India links the weapons issue with other decisions by the Nepal government to improve its economic and political relations with China One of the main reasons for the Indian refusal to extend the trade and transit treaty was

trade and transit treaty was Nepal'e decision to give preferential treatment to Chinese imports by a partial waiver of customs duties. This treatment had been promised to India. The 10-year-old trade treaty was not renewed last month and Nepalt diplomats allege that India launched a propeganda campaign aimed at treating panic inside the kingdom and misinforming Indian public opinion by saying that Nepal made no effort to have the pact renewed. The diplomats say that after prolonged negotiations, a draft was initialled last year but was inever formally signed. India then aimformed it wanted another common treaty on trade and hansit they claim. ential treatment to Chinese

# S Africa says Namibia action legal By Michael Holman

In London

SOUTH AFRICA last night
maintained its diplomatic
offensive and released the text
of the hitherto secret "Protocol
of Geneva," signed in the city
last August, which Preforia
says provides the legal basis
for its military action against
Swapo guerrillas in northern
Namible.

Namibia.
South Africa has accused
Swapo of breaking the terms of
the Namibia settlement by moving guerrilla units south of the 16th parallel running through Angola and into Nami-bia. The key section of the Pro-tocol reads:

"The parties undertake to adopt the necessary measures of restraint in order to man-tain the cylsting do facto corpo-

of restraint in order to maintain the existing de facto cessation of hostilities. South Africa stated its willingness to convey this commitment in writing to the Secretary-General of the United Nations. Angola and Cuba shall urge Swapo to proceed likewise as a step prior to the ceasefire contemplated in resolution 435/78 which will be established prior to 1 November 1988.

"Angola and Cuba shall use

established prior to 1 November 1988.

"Angola and Cuba shall use their good offices so that, once the withdrawal of South African troops from Angola is completed, and within the context also of the cessation of hostilities in Namihia, Swapo's forces will be deployed to the north of the 18th perallel. The parties deemed it appropriato that, during the period before 1 November 1988, a representative of the United Nations Secretary-General be present in Lusanda to take cognisance of any disputes relative to the cessation of hostilities and agreed that the combined military committee contemplated in paragraph 9 can be an appropriate venue for reviewing complaints of this nature that may arise."

Paragraph 9 states that the period from September 1, 1988, by when South African forces would complete their withdrawal, and the date for implementing the Security Council's plan for ultimate Namibian independence (which proved to be last Saturday) would be one of "particular sensitivity for which specific guidelines for unliftary activities are presently lacking."

When the protocol was

military activities are presently lacking."
When the protocol was signed, it was envisaged that Namibia's UN-monitored transition to independence would begin on November 1. It in fact began last Saturday.

# Beirut death toll still rising

By Victor Mallet, Middle East Correspondent

SYRIAN and Christian forces continued their artillery duels in the Lebanese capital Beirut yesterday, increasing the death toll in the latest ontbreak of fighting to more than 130 and prompting appeals for calm from France, Switzerland, the Arab League and the Interna-tional Committee of the Red

Tens of thousands of civilians have fled Beirut for the safety of Cyprus or southern Lebanon, no longer able to endure what are said to be the worst bombardments across the Moslem-Christian divide in 15 years of civil war.

Mr Roland Dumas, the French Foreign Minister, yes-terday alluded to Syrian and Israeli intervention in Lebanon and called for the withdrawal of all non-Lebanese troops from the country. He also said France was sending two ships

with food and medical supplies to Lebanon.
Around the world, Lebanese emigre supporters of General Michel Aoun, the Christian leader, are attempting to mus-ter international support for his apparently futile efforts to rid Lebanon of some 30,000 Syr-ian troops, who support a rival Moslem administration.

In France, the former colo-nial power, about 1,000 politicians and entertziners applied for Lebanese nationality this week in a symbolic gesture of support for Lebanese indepen-President François Mitter

rand has spoken in anguished tones of "an entire population which may be destroyed by violence in the days, weeks or mouths to come."
Mr Jean-Francois Deniau, a former foreign minister who is vice-president of the French

National Assembly's foreign affairs committee, arrived by boat from Cyprus for talks with Lebanese leaders yester-

day.

The Swise government yesterday offered to organise peace talks between Lebanese factions, as it has done in the past, and the ICRC appealed. for the third time in as many weeks for a stop to the fighting and an end to the sufferings of civilians.
In Damascus Sheikh Sabah
al-Ahmed al-Sabah, the

at-Anned at-Saban, the Kuwaiti Foreign Minister and head of an Arab League com-mittee on Lebanon, and Mr Chedli Kilbi, the League's Sec-retary General, pursued their attempts to arrange a Lebanese

They met 15 Moslem and left-wing Lebanese leaders and Mr Abdul-Halim Khaddam, the Syrian Vice-President.

# African economies in decline, says UN

By Julian Ozanne in Nairobi

AFRICA'S economies are continuing to deteriorate, according to a report published today by the United Nations Economic Commission for

The report, which will be seen as challenging the find-ings of an optimistic World Bank report on the continent published recently, is pub-lished on the day African finance and economic planning ministers begin a five day meeting in Addis Ababa to consider a bome-grown alternative policy called the African Alternative for the Structural Adjustment Programme.

The ECA report says Africa's economic restructuring has been severely limited by external constraints and the problems of debt, deteriorating terms of trade and dwindling capital resource flows. And it criticises the impact of struc-tural adjustment programmes on the poor.

The report states that between 1986 and 1998 "the deterioration in the overall economic situation in Africa continued unabated GDP rose by only 1 per cent in 1986 and by a mere 0.7 per cent in 1987. Worse still, per centra income fell by 2.0 per cent and 2.2 per

tively."
The gloomy ECA report

comes less than a month after publication of a joint World Bank-United Nations Development Programme report which downplayed the impact of neg-ative external factors and suggested that the picture was much less thankl, particularly in countries implementing

reform packages.
In his preface to the report
Professor Adebayo Adeded, UN

cent in those years respectively." valling in Africa in rosy terms, to minimise the impact of im adverse external environment and to depict the effects of structural adjustment pro-grammes as having been aiways positive, does not only detract from the reality of the situation, but is cynical in the exireme.
The report concentrates on

last year's economic performance in Africa: It says output grew 2.3 per cent in 1988, mainly because favourable under-secretary-general and head of the ECA, says: "Any attempt to portray the economic situation currently pre-

# Afghanistan requests UN

Foreign interest lifts NZ investment By Dai Hayward in Wellington

N important element of US proposals to accelerate the voluntary reduction of debt burdens in developing countries is the call particular agreement. These clauses were toughened at the beginning of the decade after Iran had continued to pay other creditors but not the US banks, and after Argentina had excluded British banks from interest payments being made Zealand's economy than local analysts, are pouring hundreds of millions of dollars into NZ investment, say international investment bankers, Bain and

to others at the time of the Falklands war.

Lawyers say reducing debt and service burdens through bonds for debt axchanges would be permitted under most Bain's senior economist, Ms Georgina Tattersfield said in Wellington that fund managers loan agreements provided the replacement securities are replacement securities are offered equally to all lenders. Waivers may be required to allot reserves to buy collateral, but that should be achievable through the positive vote of 66 per cent of lenders.

Cash buy-backs of old loans could present more problems, since they require the lifting of in the US and Europe are showing more objectivity in assessing the profit potential in New Zealand's bond market than domestic investors who have yet to focus on key statis-

since they require the lifting of the sharing clauses. Chile achieved a specific

waiver of the sharing clauses to bny back its debt using windfall earnings from copper exports. Again, it was specified that all lenders were given equal access to the buy-back. However, the amounts of the buy-backs was circumstant. US legal experts, to take Mr Brady literally, "a general waiver" of some of these restrictive clauses would be buy-backs were circumscribed and Chile's relations with its creditor banks have been bet-ter than most. obstruct accelerated debt reduction – sharing, negative pledge, pari passu and manda-tory prepayment clauses – have heen incorporated into

However, a general lifting of the sharing provisions would allow each creditor to cut his own deal with the debtor and to pursue legal action without

There is nothing to stop creditors attempting to attach assets through the courts, but they are designed essentially to assure equality of treatment among creditors. Some lawyers credit to their existence the limited cohesion seen so far in the attitude of banks towards problem dehtors. Not all banks have contributed to new loans but they the sharing clauses imply that they would have to share those benefits with all other credi-tors. It would thus rarely be worthwhila unless sharing clauses were limited. Lifting sharing provisions would also enable discrimination against "free rider" banks, although US officials say this is not the intention of their proposals.

This does mean, however, that unless the waiver of the sharing clauses was specific to certain operations, free riders would probably vote against the waiver - because they would fear not being paid. Even one free rider could veto such a deal.

Such waivers would presum ably have therefore, to describe the intention and limitations of the operation they are intended to facilitate. In that case, the most rational action by a free rider might be to vote for the waivers, and then not participate in the buy-back, in the hope that it would enhance the credit quality of his

FOREIGN INVESTORS, onsly knew little about the showing more faith in New country but who were so interested in its recent economic figures they came to "see for themselves."

"We believe the New Zealand market is likely to be a top performer in the coming year because of the extremely good fundamentals it is exhibiting, particularly in relation to Aus-

New Zealand's inflation continues to fall while Australian inflation figures indicated "a significant increase" over the coming months.

In a report issued by the bank, Ms Tattersfield said: "It is heartening that New Zealand's sound inflation outlook Bain's optimistic predictions are in direct contrast to its views in December when it advised potential investors to stay away from money market-because of the possibility the government would pursue a soft line on the economy.

Now it says this year will provide an exciting investment

The predictions were unscored by the release of the latest trade figures showing New Zealand's terms of trade are higher than for the last nine anda half years. The terms of trade index in the December quarter measured 88

- the highest since June 1979
when it stood at 91. New Zealand also recorded a record volume of exports and record

**Security Council meeting** AFGHANISTAN formally requested an urgent meeting of the Security Council to deal with alleged aggression and interference by Pakistan, in a letter circulated yesterday. Reuter reports from the United

A Council source said a meeting would probably be set for April 11 to allow time for a senior Pakistani representative to arrive in New York.

Soviet Foreign Ministry spokesman Yuri Gremitskykh told a news conference in Moscow that Afghan rebels had fired missiles into two dis-tricts of Kabul yesterday, kill-ing gight nearly and westerling

Mr Gremitshykh also said Afghan government troops had repelled another assault on the eastern city of Jalalabad, eastern city of Jalalabad, which has been under attack for nearly a month. Twenty rebels were killed, he said.

A force of about 30,000 was still massed outside the city, Mr Gremitskykh said, including senior Pakistani officers and fighters from countries including Egypt and Saudi Arabia.

Pakistan yesterday dismissed as propaganda a request for the emergency meeting of the Security Coun-

# The punishing pursuit of Pakistani profits

Christina Lamb in Islamabad reports on the hurdles facing foreign investors

A TTEMPTING to set up business in Pakistan is frequently compared with looking for a black cat in a dark room. One European businessman, still waiting for approval after three years of endlese doorknocking, says: "It's like watching grass

SLOM, Setting up business requires persistence more than any-thing. Only the most deter-mined can survive the corruption, prohibitive import duties, and a nightmarish bureaucracy coupled with the political uncertainty of a country that has spent more than half its lifetime under martial law. The country's main indus-trial centre of Karachi is a hot-

bed of ethnic violence, where wealthy businessmen have armed guards to protect them against kidnapping. Frequent riots necessitate currews, closing factories for weeks on end.

Those who make it through
the maze of bureaucracy and graft maintain that it is worth it, but few get that far. Britain is the largest overseas investor in Pakistan, much investment dating back to the days of the

Most foreign investment is from big pharmaceutical com-panies, and while companies such as ICI are building addipanies, and while companies the bureaucracy seem to such as ICI are building additional plants, there are faw not facilitate foreign invest-



Pakistan

Despite the country's semi-capitalist system and close relations with the US, Pakistan attracts little Western equity
- averaging only \$7.1m a year
in US investment over the last

The biggest initial hurdle is the sanction process. While local projects up to Re700,000 (£21,000) need no approval, any form of business containing even 1 per cent of foreign equity must be formally sanc-tioned. "By the time one gets initial approval for a drugs company in Pakistan, one could already have the pills on the shelf in Singapore. Here ment. The irony is, Pakistan is the loser in the process," says a senior US economist working in Islamabad.

Pakistan's democratically elected government hopes to change things. Ms Benazir Bhutto took office in December to find the government so grip.

Bhntto took office in December to find the government so crippled by debt that it was printing money to pay wages.

Declaring the country "bankrupt", Ms Bhutto has made privatisation the new watchword, with the emphasis on foreign investment. The government is committed to liberalising imports and cutting red tape.

Scaptics point out that the

imports and cutting red tape. Sceptics point out that the last government was equally, committed to deregulation, setting up a scheme in which one organisation would be responsible for all necessary approvals. Two years later, this has yet to take off, and lusinessmen are still wearing out shoe leather traipsing round the ministries of commerce, industries, foreign affairs and tries, foreign affairs and health, along with numerous investment departments and water, gas and electricity authorities.

Bureaucrais seem to want to keep the system deliberately vague and complicated to ensure the maximum rake offs for the maximum number of people, as well as giving a rai-son d'être for numerous super-

fluous commissions.

Having finally secured approval, corruption does not stop. Everyone from customs officials to telephone operators expects rupees.

Yet the corruption pales into insignificance against the biggest problem - lack of infrastructure. Major cities are linked by, at best, potholed two-lane tarmac roads; daily power shortages are part of life, and with only one telephone per 140 people, outdated exchanges sometimes seem capable only of connecting wrong numbers.

Moreover, because cities are hopelessly overcrowded, Pakistan encourages industrial construction only in remote areas where infrastructure is non-existent and the quality of life

istent and the quality of life Finding local managers can

also be a problem in a country where 77 per cent of the popu-lation is illiterate and where universities are often closed by violence. Degrees are often bought on the open market. The import of many foreign manufactured goods is banned and confiscatory tariffs imposed on others - up to 150 per cent on consumer goods such as care and an average of 77 per cent for industrial pro-

cess equipment, supposedly to encourage homegrown indus-

However, this can work to one's advantage. Almost all Pakistan's potential is untap-ped. There is much the country cannot produce alone and once a new industry is started the trend is to introduce protective tariffs, so the secret is to get in first and origin. first and quick.
The main areas in which

The main areas in which Pakistan is keen to attract foreign investment are power, telecommunications, engineering industries and consultancies. Power has the biggest scope, with the government committed to produce 40,000MW by the end of the century against the present century, against the present

Labour is cheap and plenti-ful, the country has wide-spread untapped raw materials and mineral resources and the government is offering hefty concessions such as tax free zones, half-rate electricity and exemption from import duties for those raw materials and machinery not available in Pakistan in specially designated areas.

Pakistan in specially designated areas.

But still investors are not taking the hait. Mr Julian Stretch, president of the British and South Asia Trade Association, believes one of the biggest deterrents is image. "Made in Pakistan" is not yet a seductive label.

#### tics. The fundamental strengths of the NZ economy are attracting foreign investors with substantial funds. The bank currently has two American investors in NZ, who previous Pakistan regularly denies charges by Kabul that its mili-tary forces are fighting along-side guardilas in Afghanistan. and improved trade data are demanding and receiving investor recognition. ing eight people and wounding 20. Three women and a child

FINANCIAL TIMES THURSDAY APRIL 6 1989

# Offer people Freedom and Choices and you'll make a name for yourself.



Guardian Royal Exchange did. Here in Britain.

Samibia ection legi

Our Freedom life policy and our Choices pension plan are giving people what people want. In the case of Freedom, a revolutionary brand of life insurance they can change as their circumstances change.

And with Choices, a pension plan they can take freely and easily from job to job.

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The idea that change can be turned into opportunity is a firmly held belief at Guardian Royal Exchange.

And it's a measure of our success—we are one of Britain's leading composite insurers—that this doctrine is adopted through all levels of the company.

Admittedly, we may never make international headlines with our philosophy.

But it's certainly getting us noticed.



One step ahead, then another

#### Japan to extend curbs on car exports to EC

JAPAN intends to extend for another year voluntary curbs on car exports to the European

Exports to Europe have been rising only slowly since curbs were introduced in 1986, but the rapid increase of local pro-duction in Europe by Japanese companies has brought an angry reaction from European car manufacturers and soma

The issue has been brought to a head by the announce-ment earlier this year by Toyota Motor, Japan's largest car company, that it was con-sidering building a car factory in the UK.
The Japanese Ministry for

International Trade and Indus-try said yesterday it would continue monitoring exports for another year and had asked car makers to avoid sudden increases in sales. This is understood in Tokyo to mean that MITI expects the increase to be no more than 3 per cent in the financial year starting

Increases in exports have dropped sharply from 10.9 per cent in 1986 to 3.4 per cent in the 1987-88 financial year when exports totalled 1.21m. This fig-ure greatly exceeds the total of cars made by Japanese facto-ries in Europe, led by Nissan Motor's plant in North East

England. However, the number of locally-produced cars is expec-ted to rise rapidly as Nissan moves towards its goal of 200,000 cars a year and other makers establish and expand wholly-owned factories and joint ventures. Toyota's eventual target is also to produce 200,000 cars in Europe.

• Fuji Photo Film of Japan said yesterday it was to establish a production base in Europe, AP-DJ reports from Tokyo.

Fuji, Japan's top photo film maker, said Onceas, a Rome-based importer of films, cam-eras and video cameras from Fuji, will establish an assem-Fuji sald it will supply

Onceas with half-finished prod-ucts and technical know-how. Italy is Fuji's second base of business in Europe, following its advance into the Nether-

lands last year.
Full said the creation of the new production base in Italy is part of the company's attempt to overtake Eastman Kodak which is believed to hold

paign to be more aggressive in world markets for its wide

# Rolls-Royce may form

ROLLS-ROYCE, the aero-engine builder, is discuss-ing the formation of a new London-based aero-engine leasing and finance organisation with companies in Japan, the

Participants in the talks so far include Mitsubishi Trust and Banking of Tokyo. Chrys-ler of the US and National Westminster Bank of the UK. Nothing has been agreed so far, and it may be some time before any deal is finally set-

**Textiles** pose fresh problem for Gatt

By William Dullforce and Peter Montagnon in

PAKISTAN hit out at the industrialised nations yester-day for not taking seriously its and other developing countries' interests in the taxtile

Mr Ahktar Khan, a senior official in the Pakistani Ministry of Commerce, voiced "disappointment and concern" at the failure to take Third World the failure to take Third World objectives into account in the negotiations under the General Agreement on Tariffs and Trade intended to put the Uruguay Round back on track.

Efforts starting last Friday to resolve differences over the four items, on which the midterm review of the Round

term review of the Round broke down in December, had not displayed "a level of ambi-tion" in textiles and safeguards comparable to that seen in the talks on agricul-ture and intellectual property

rights. Safeguards are the measures which countries can apply under Gatt rules to protect temporarily industries which are hurt by a sudden flood of

imports. Mr Khan's remarks to the formal opening session of the Uruguay Round trade negotia-tions committee indicated that solutions to textiles and safe-guards may not easily "fall into place" once agreements have been reached on farm trade reform and intellectual

property.
Discussions on textiles and clothing have been stalled since the trade ministers' meeting in December over two

First, the demand by some developing countries for a freeze on further restrictions on their exports under the Multifibre Agreement, which governs about half the world trade in textiles and clothing. Second, the setting of a date for the phasing out of MFA restrictions and the return to Gatt rules of the textile trade. In addition, the European Community has been anxious to use the talks to win a com-

their domestic textiles mar-

Judy Dempsey in Slovenia discovers a small private export business success story WEN Zoran Simic decided to set up his small, privately-run factory six years ago, he had no idea he would be dogged by the taxman, faced with expen-

the taxman, faced with expensive machinery that did not work, confronted by officials who still opposed the private entrepreneur and above all, hit by inflation.

It would be difficult to describe Mr Simic as an entrepreneur in the Western sense. He does no marketing or advertising the has no clossy signs. tising. He has no glossy signs outside his modest building. outside his modest building. He has no fancy office equipment, and a staff of just five. But in his factory, a large shed outside Ljubljana, the capital of Slovenia, Yugoslavia's most politically liberal republic, Mr Simic has managed to survive. And not only that. By managing to gain the confidence of a West German company. 100 per cent of one of

company, 100 per cent of one of his production lines is now earmarked exclusively for the

export market.

Along with his brother, Mr
Simic left his small but profitabla privately-run printing
business in 1983 to set up a briquette factory. Since briquettes, which are made from wood, are far less polluting than coal or charcoal, he reck-oned he would have a good chance in exporting his products to neighbouring Austria, Italy and West Germany, all of which are becoming increasingly environment-conscious.

The first two years were, as

Mr Simic himself described them, a nightmare. The machinery, which was imported and paid for with precious hard currency to dry the wood and make the briquettes, did not work. "The Western firm took us for a ride. I learned at lot from that. In private business, you have to do everything yourself and you always have to be flexible and patient."

'Although Slovenia is probably the most liberal (Yugoslav republic) in terms of how the economy and politics is run, there is still some tough ideological resistance to the private sector.

Overnight, Mr Simic became a mechanic, doing most of the repairs himself. And for tha first three years, he refused to go into any kind of large-scale production until he was sure his product was perfect and he could fulfil all the contracts on

By 1987, things started looking up. Over 30 per cent of his briquettes, used mostly for domestic heating, were being exported across to Italy and Austria. His new line in garden peat moss was also succeeding in fact, by 1988, most of this production line was crossing the Yugoslav borders into Austria and West Germany, earning him last year a handsome turnover of DM500,000

Not content with this, the 36-year-old Mr Simic, an entre-preneur if there ever was one, decided he could make use of the branches from the vineyards around Dalmatia.

Yugoslav entrepreneur bucks the system

yards around Dalmatia.

"The water content of this wood is low, the aroma is excellent, so I decided to convert these branches into pellets for barbecues and grills," he says, proudly showing off his new product, of which he

expects to export most to West Germany this year. "If all goes well, I will have a turnover

this year of DM300,000."
But Mr Simic will need much luck on his side. For one thing, the inflation rate, now rising above 360 per cent a year, is pushing up the cost of his materials. He remembers that when he first started produc-tion, material costs for making the domestic heating briquettes were about 10 per cent of domestic prices. Today, they are nearly 90 per cent. If infla-tion continnes, he could be forced to cut back completely

on this line.

If inflation is a problem, dealing with the Foreign Trade Organisation (FTO) is another.
Under Yugoslav legislation,

which is undergoing radical changes, all companies who want to export have to go through an FTO.

The aim of the FTO is to market the product. But the fee is high in contrast to the returns. For one thing, Mr Simic and his colleagues never see any of their hard currency earnings. Western firms have to pay their Yugoslav partner via the FTO who in turn pay local currency to the Yugoslav partner via the FTO who in turn pay local currency to the Yugoslav partner via the FTO who in turn pay local currency to the Yugoslav economy more profitable and efficient," he says.

He is not alone in this view. Yugoslav economists also before the small private.

transactions often take as long as three months to come through, many Yugoslav firms are now losing out.

"With rising inflation and currency devaluations, our real earnings lose value by the day," says Mr Simic.

There is a way around it. Mr Simic can ask the FTO to speed up the payments, even if they are in dinars. However, that means giving the FTO a cut above the commission rate which is about 30 per cent. "If you want to be paid in 15 days, then you pay the FTO 34 per cent," he says.

The commission, however, is but a tip of the tax iceberg.

but a tip of the tax iceberg. Like other small firms, Mr Simic pays a 30 per cent com-pany tax and then, depending on his profits, he could pay

He is not alone in this view. Yugoslav economists also believe that the small private firms are potentially the backbone of the Yugoslav economy. In Slovenia alone, the private sector accounts for 7 per cent of the republic's gross national product.

product.
They also believe that if this sector is further liberalised, it could attract much more foreign currency into the country as well as boost foreign trade earnings. The signs seem to be pointing in that direction. Mr Ante Markovic, the new Prime Minister, has his eye on this sector and intends to make it easier for Yugoslav businesses to deal directly with their western foreign partners. If this means that people like Mr. Simic can be paid directly in hard currency, he may well what amounts to a prohibitive income tax of 90 per cent. "That is the cost for being a successful, small privately-run business," he says. "Although Slovenia is probably the most liberal in terms of how the

# leasing joint-venture

By Michael Donne, Aerospace Correspondent

the raised to \$200m, of which liscuss- Rolls-Royce would hold 40 per cent and the other three partners 20 per cent each. Other partners would be brought in

The move reflects the grow-ing interest by Rolls-Royce in supporting its zero-engine marketing operations world wide with the ability to offer potential customers a convenient financing facility.
Rolls-Royce sees the creation
of such a venture as an integral part of its overall cam-

The plans envisage a joint paign to be more aggre company with capital of \$60m world markets for it initially, eventually being range of aero-engines.

#### Siemens favoured in Turkish power contract

By Jim Bodgener in Ankara

EXCLUSIVE negotiations for a consortium led by West Germany's Siemens and Asea Brown Boveri(ABB) have been guaranteed in a protocol for a contract for the construction of power lines from the giant Ataturk den scheme in the scrath. turk dam scheme in the south-

tendering since December. It is offering a financing package which includes a DM190.5m

The consortium was selected after it offered to cut its price by around 10 per cent to bring its original price down to DM187.9m (£59m). The consortium emerged as mitment from the richer devel-oping countries to liberalise leader after three rounds of

and a 30-year term with 10 years' grace. The two compet-ing consortia are led hy France's CGEE Alathom and Japan's Sumitomo. The 640km line from the dam

will run via the Elbistan power station to Ankara to connect the Ataturk power station with the Western section of the

national grid.

The scheme is fairly urgent, because it needs to be completed when the first units of the dam's total 2,400MW generating capacity come on stream

#### APV wins £50m Soviet breakfast cereals contract By Nick Garnett

APV, the UK food and drink processing equipment maker has won a 550m order to intro-duce breakfast cereals into the Soviet Union by building pro-duction lines on the site of former vodka factories. In a deal with the procure

ment agency for the Soviet food processing industry, APV is to supply ten breakfast cereal lines on hine sites across the Soviet Union. The plants will have a combined capacity of about 100m cereal packets a year.

APV is due to deliver the first plant this year.

#### Canadian panel favours training tax incentives By David Owen in Toronto

A CANADIAN panel, set up to study the impact of the US-

Adjustment also urged the government to spend more on job programmes, primarily those which help redundant workers back into the labour force. It said specifically that a programme providing up to two years' support for unemployed gramme providing up to two have a tax liability, which years' support for unemployed could be discharged by financourses should be strengthened, and urged the adoption carmarked for labour training.

of nationwide standards for redundancy notification and Canada free trade agreement on the country's workforce has recommended new tax incentives for companies promoting worker training.

The Advisory Council on Advistrant the world the country of the world the sures, despite calls for such protection by labour leaders.

The incentives proposed by the panel amount to a levygrant system under which companies would be deamed to

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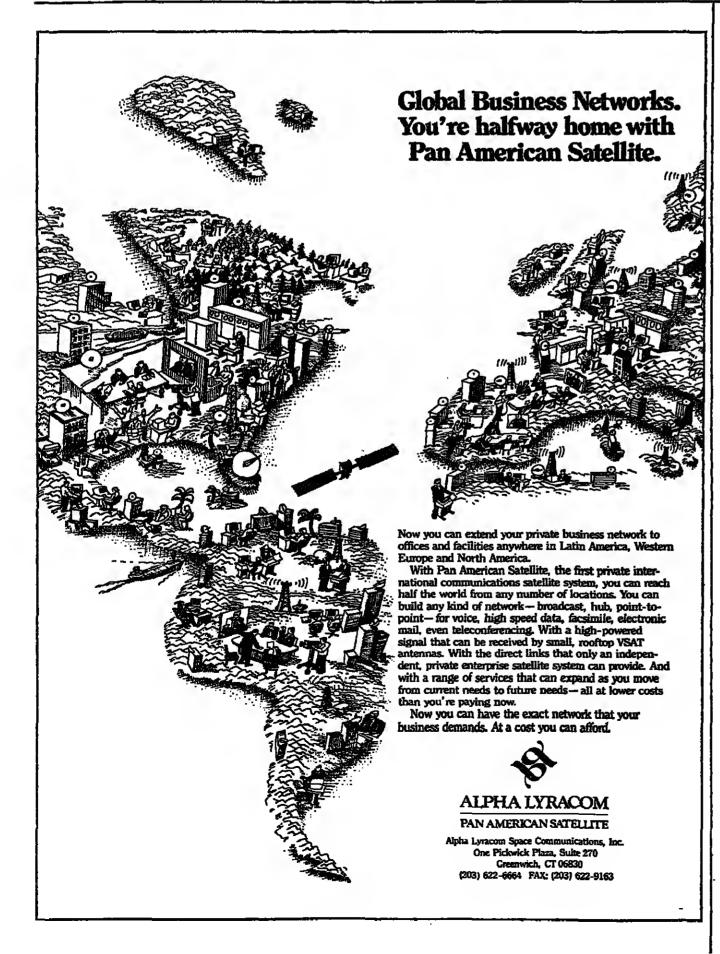
This month our survey goes on the trail of the index trackers. We offer practical guidance to trustees on index funds. Our research feature analyses pooled pension fund performance. We look at the best and worst performing funds over the past decade and examine how the new providers compare with their more established competitors.

We also argue in this month's issue, the case for consultants scrapping their questionnaire-based approach to fund manager selection. Fimbra answers back about the plight of the independent intermediary. In addition, the pension options open to young people waiting to join their company pension scheme are highlighted. Finally, we question the reluctance of unit trust companies to dive into the personal pensions market and outline the positive contribution they could still make.

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#### Antitrust protection for takeover targets

By A.H. Hermann, Legal Correspondent

eports of the Minorco's of affected US residents to 2.5 difficulties in US courts per cent of Gold Fields' sharein its attempt to acquire Consolidated Gold Fields have so far focused on the question of what will hap-pen next. Will it be possible to make the US courts relent quickly enough to allow the bid to proceed within the time limits imposed by the London takeover rules?

However, study of the full-text of the judgment\* of the US Court of Appeals for the Sec-ond Circuit, reveals an under-lying issue of a much greater general importance, namely whether a foreign target com-pany operating on the world market can claim the antitrust protection of US courts solely protection of US courts solely because the acquisition might open the way to anti-competitive behaviour by the resulting enlarged enterprise, causing an increase in the price of a commodity traded in the US.

Although the appeal court confirmed the injunction of the US District Court for the Southern District of New York, prohibiting Minorco from buy-

prohibiting Minorco from buy-ing further shares in Gold Fields, its reasons for doing so differed substantially from the reasons which led judge Michreasons which led judge Mich-ael B. Mukasey to grant the injunction in the first place. The appeal court disagreed with the judge on two very important issues, First, while the judge denied antitrust standing to Gold Fields (and granted the injunction only in

granted the injunction only in response to the applications by its two US associated companies), the appeal court's major-nies), the appeal court's major-ity held that Gold Fields had such standing. Second, the appeal court unanimously reversed the judge's ruling that he had no subject matter juris-diction over claims of securi-ties law infelingements by ties law infringements by

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ocentive

In considering the second issue, the district court con-cluded that the number of US holders of shares in Gold Fields was "insignificant". It did not take into account Gold Fields' American Depository Receipt (ADR) holders, accept-ing that Minorco had taken all possible precautions to assure that the tender offer docu-

ments would not reach them.

The appeal court pointed out that British nominees were required by law to forward the tender offer documents to Gold Fields shareholders, as well as to ADR depository banks in the US. This brought the number

per cent of Gold Fields' share-holders. The court found that these US residents owned a total of 5.3m shares with a market value of about \$120m. The appeal court, which previ-ously held in another case that Ouary head in another case that US antifraud laws applied to a transaction involving only 22 US residents owning a total of 41,936 shares found the higher participation of US residents in Gold Fields to be an irresistible

argument for accepting juris-diction. The much more complicated issue of antitrust jurisdiction is composed of three elements: the anti-competitive effect of the possible closing down by Minorco of Gold Fields' US sub-sidiaries, the global effect of eliminating Gold Fields as an

sidiaries, the global effect of eliminating Gold Fields as an independent competitor and, finally, the determination of the relevant market — whether it be the US, the western world, or the entire world.

The complaint that the Minorco bid was contrary to US antitrust law was brought by Gold Fields which is a British company, and two US companies which it controls. Half of Gold Fields \$2.4bn assets are located in the US where it wholly owns Gold Fields Mining Corporation (GFMC) with gold mining operations in California and Nevada. It has a 49.3 per cent stake in Newmont which, in its turn, owns 90 per cent of Newmont Gold, the largest gold producer in the US. In addition, Gold Fields has important gold mining interests in Australia and South Africa, where it is the second largest gold producer. Altogether, Gold Fields, with its associated companies, accounts for 12 per cent of the gold producer in the gold producer.

gold production in the non-communist world, where it is the second largest gold pro-Minorco, incorporated in Luxembourg, has a 29.9 per cent stake in Gold Fields. It is in its turn controlled to a large in its turn controlled to a large extent by the Anglo-American Corporation of South Africa and De Beers Consolidated Mines, which together own 60 per cent of Minorco's shares. Another 7 per cent of Minor-co's shares are held by the family of Mr Harry Oppenhel-mer whose members and close mer, whose members and close associates are on the boards of all three companies. The appeal court concluded that the group to which Minorco

belongs accounts for 20.3 per

and the second of the second o

accounts for 12 per cent of the

cent of all gold production in

The district court injunction is based solely on the acceptance of the claim that if the Oppenheimer group succeeded in acquiring control of Gold Fields it would attempt to shut down the Newmont Gold mining operation in the US, as South African production costs South African production costs of gold are rising rapidly and are now substantially higher than those in the US. To keep the price of gold high, it was alleged, the Oppenheimer group would wish to restrict low-cost production outside South Africa. The appeal court agreed with the district court judge that Newmont's threatened injury was precisely the

ened injury was precisely the type that the antitrust laws were designed to prevent. However, the appeal court found it impossible to agree with the district court's conclusion that the target company itself. Gold Fields in the presented of the court of the c itself. Gold Fields in the present case, had no standing for making an antitrust complaint. This view has previously been expressed by some US courts adopting the theory that the target company suffers no antitrust harm, because after a takeover it becomes part of the entity designed to gain a competitive advantage.

This view found an echo in the dissenting judgment of Circuit Judge Altimari. He relied on a long line of US cases where the target company was

where the target company was denied a standing and argued that a loss of independence which occurs in every merger is not the type of loss that the antitrust laws were intended to

prevent.

Judge Altimari also disagreed with the policy grounds advanced by the majority of the appeal court, namely that a denial of standing to the target company would impair enforcement of laws against anti-competitive takeovers as the substantial burden of proof was likely to prevent consumers from bringing an action. In the view of the dissenting judge, even substantial burden of proof would not prevent competitors from bringing competitors from bringing action under section 16 of the Clayton Act.

The majority of the appeal court took a diametrically opposed view. It held that once acquired, Gold Fields would have lost the power of independent desired as to dent decision-making as to price and output. One could not imagine a better example

of the type of injury to competition which the antitrust laws were designed to prevent, said the majority. Moreover, the acquisition would also threaten the curtailment of production by GFMC.

This injurious effect on competition, the majority contin-ued, was in no way mitigated by a possible benefit which Gold Fields could achieve by remaining a distinct unit within the enlarged Minorco group. It was also irrelevant whether Gold Fields' application was motivated by a desire to protect competition or the desire to protect the job secu-

rity of its senior management. Finally, there is the important question of the relevant market. The district court market. The district court included in this only gold mining of non-communist countries and did not take into account gold scrap and gold reserves held by governments. In a market so defined, acquisition of Gold Fields would raise the Oppenheimer family's market share to 32.3 per cent — bringing it above the 30 per cent which, according to the US Supreme Court, triggers a presumption of illegality. This was enough to show that the was enough to show that the plaintiffs were likely to suc-ceed in a trial and thus justify the temporary injunction.

This view was confirmed by the appeal court which rejected Minorco's claim that "gold is gold" whether it comes from western or communist mines, from scrap, or from govern-ment reservers. Only such supplies could be recognised as competitive which increased significantly in response to an agnificantly in response to an increase in price by 5 per cent or more. Only non-communist gold mining satisfied this test, said the court, adding that there was evidence that sales of eastern bloc gold did not increase when the price of western gold rese western gold rose.

The conclusion of the appeal court that US antitrust laws can be applied to an acquisition taking place outside the US, as long as it affects competition in a section of the world market of which the US is a part, will, if upheld by the US Supreme Court, extend the long arm of US courts further and in a new direction.

\* Consolidated Gold Fields and

others o Minorco and others, US Court of Appeals, 2nd Circuit, docket mos. 88-7932,7934 (unre-

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LONDON, 26 & 27 April 1989

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Accordingly, notice of the following modification is hereby given persuant to Clause 4 (F) (iii) of the Instrument dated 7th July,1988 in connection with the captioned Warrants:

"The record dates for the payment by the Company of annual dividends and interim dividends will become 31st March and 30th September respectively, in each year (31st March, 1989 in the case of dividend for the transitional financial period above), and the Dividend Accrual Period with respect to the shares of the Company issued upon exercise of Warrants will be each six-month period ending on 31st March or 30th September in each year (a threemonth period ending on 31st March, 1989 in the case of the transitional financial period mentioned

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UK ECONOMIC INDICATORS

OUTPUT- By market sector; consumer goods, im-goods (materials and tuels); engineering culput, leather and clothing (1985 = 100); housing starts (6)

116.0 140.0

EXTERNAL TRADE-indices of export and import volume (1965 = 100); visible belance; current balance (Em); oil belance (Em); serms of trade (1986 = 100)

FINANCIAL-Money supply M0, M1 and M3 (armual percentage change); bank sterling lending to private sector; building societies' net inflow; consumer cradit; all assessable adjusted Clearing Bank base rate (and period).

116.8

#### THE AUTOMATIC **IDENTIFICATION INDUSTRY**

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FINANCIALTIMES

#### Chemical industry set to continue investment surge

BRITAIN'S chemical industry is due to continue its invest-ment surge during 1989, with total capital spending likely to reach £2.0bn, a 9 per cent increase on last year taking into account inflation.

This forecast yesterday from the Chemical Industries Association follows two years of booming demand and good profits for many of the world's hig chemicals companies

Although some analysts believe the chemicals industry will suffer a downturn over the next few years, the association predicts no let-up in the rate of increase in plant investment.

According to yesterday's

forecast, there will be a further rise in capital investment in 1990 to £2.3bn, a level expected to remain about the same in

By Terry Dodsworth, Industrial Editor.

MR MIKHAIL GORBACHEV'S

ms minimate companies is reputation for throwing up surprises will not be dimin-ished by his choice for a fac-tory visit during his visit to Britain today.

The unarthodox Soviet Pres-ident has chosen an appropri-ately unconventional company for his factory tour today. It is

for his factory tour today. It is Case Communications, a sub-

sidiary of the Dowty serospace

much a representative of the new guard in UK industry as Mr Gorbachev is in Soviet poli-tics. The company specialises in data communications, mak-

ng electronic "black boxes" and selling services that allow its customers to link their computers together.

It has grown rapidly in the 1980s by showing the sort of technological innovation and

managerial agility which Mr Gorbachev is trying to incul-cate in the troubled Soviet

Case was very much the

selves, according to the

Department of Trade and Industry.

The department put up a

suggestion list of about six high-tech companies selected

from the great and the good of

The association said there had been a large increase in the proportion of capital investment directed at projects

involving health, safety and

environmental affairs. The proportion of total outlays being spent in these areas is likely to be about 15 per cent this year, compared with half

This year's likely increase in investment comes on top of a surge in spending in the UK industry since the mid 1980s when capital spending was about £1hn a year. Capital outlays in 1988 totalled £1.7hn.

The association said yesterday the investment plans showed the industry "took a confident view of the future."

of British technology

Gorbachev picks showpiece

the British electronics indus-

try - companies such as British Aerospace and the ICL

computer group are thought to

However, Soviet Embassy officials decided that they pre-ferred Case, which was defi-

nitely not among the companies suggested. "We would like to think it is

something of a coup," Mr Tony Thatcher, chief executive of

Dowty, said yesterday.

Mr Thatcher — no relation
of the Thatcher Mr Gorbacher

has come to know so well

— says that the main reason for the choice is that the Rus-sian leader "wanted to see the

way we have sorted the fac-

The Case plant at Watford is regarded as a showpiece in computer controlled manufac-

turing. For every one of the

1,000 employees on the Wat-ford site, says Mr Thatcher,

screens. "It is virtually paper-

in its management methods. All employees are on monthly

salaries. No one clocks in or

out. Everyone's pay depends to some degree on bonuses — as much as 50 per cent for some

Case is equally avant-garde

output of about \$250n a year, is one of Britain's biggest manu-facturing industries with a

Individual companies there to account for much of the new spending include big businesses such as Imperial Chemical industries, Britain's biggest chemical company, Shell and British Petroleum, all of which have announced significant new production projects over

Of the £6.6bn likely to be spent between 1989 and 1991 on capital programmes, 35 per cent is due to be spent on

#### strong exports record. Individual companies likely

GLAXO, Britain's biggest pharmaceutical company, pians to employ 500 new marketing staff in Japan over the next four years to boost sales in the world's second biggest market for drugs after the US.

Mr Bernard Taylor, chief executive, said Japan was the one major country where he thought Glaxo's marketing presence was insufficient. The 500 extra staff will be mainly new graduates. They will join the 500 Glaxo marketing staff already based in Japan. already based in Japan.

Glaso has grown strongly in recent years, especially in North America, but Japanese sales have remained small. Of the company's \$2.1hn sales last expanding the drugs sector.

About a quarter is due to be spent in projects involving petrochemicals and plastics. the company's £2.1hn sales last year, North America accounted

year, North America accounted for two-fifths while only 6 per cent came from Japan and the rest of the Far East. The company, the second higgest drugs group in the world after Merck of the US, is also planning to expand greatly its research and devel-opment activities, with annual spending likely to double by 1993 to about \$450m.

Mr Taylor said he remained bullish about the prospects for many of the 10 or so medicines passing through the late stages of the company's research pipe-

He acknowledged, however, there had been a delay in the trials programme involving a

This product is under devel-opment for treating a range of brain-related conditions and is

the group bired Mr Nick Applegarth, a finent Russian speaker, a couple of years ago

Mr Applegarth, however, details of the distinguished

amosphere instant the maint is said to be highly informal. This is the type of modern approach the Russians were looking for," said an executive

Naturally enough, there was an air of high excitement at Case this week, as details of Mr Gorbachev's walk-about at the factory site were being finalised. Aside from the effort of showing the best face of British manufacturing to the Russians, Case is well aware that the visit may assist its sales to the visit may assist its sales to the Soviet Union. These have begun to mount

of the salesmen - and the atmosphere inside the plant is

over the last few years, but are still stuck at around only £1m ont of a total turnover of In order to stimulate sales

to head its efforts in the Soviet was not available for comment. He was too busy using his Russian to sort out the

guest's visit. So was it a bonns having a Russian speaker on site? "At the moment," said a spokes-man, "we could certainly do with a few more."

thought by many analysts to have a high sales potential. Glaxo said two years ago that it expected to apply in

early 1989 for a government licence to sell the product for anti anxiety applications. Mr Taylor said this was now unlikely since more time was needed to complete trials. . He said prospects for the product in this application still looked good, but said he did not want to discuss how long it

was likely to be delayed. Glazo is also developing associated with anti-cancer drugs. Mr Taylor said that this aspect of the programme was

The company hopes soon to apply for a product licence for

#### UK group to build Moscow trade centre By Paul Cheeseright, Property Correspondent

CARROLL GROUP, the private British property and industrial group, has won Soviet approval for the £150m development of a British-Soviet Trade Centre in

This is the second British property project in the Soviet Union that has been announced in recent months in evidence of commercial glas-

The first, sponsored by the Derbyshire County Council, was for a new resort complex in the Crimea.

The Watford Business Park which Mr Gorbachev, the

Soviet leader, will visit today, is a £40m development by Car-The British-Soviet Trade

Centre would be owned by a joint venture company established by Carroll and the Soviet Government. It would comprise 160,000 square feet of offices, an hotel with 400 bedrooms, 150 apartments and conference and lei-

The Centre would in fact be a complex for foreign business, initially British, served on a basis of first come first served. The demand for space by foreign business in Moscow far exceeds supply and if this venture is a success it is reasonable to assume that, in the current political climate, it will be the forerunner of other similar Rents at the Centre are

likely to approach London levels at the equivalent of around £40 a square foot.

Finance for the project is being arranged by Samuel Montagu, the London merchant bank, and by the Moscow Narodny Bank, but the terms have not been made

The Moscow venture is a notable expansion of Carroll's interests

A secretive group but one of the largest in Britain under private control, it has property developments in hand which, once completed, would have a value approaching £1bn.
•Carroll announced that it had just received planning per mission for a £100m retail and leisure park.
The development will take

place an old power station site adjacent to the M6 motorway at Walsall in the West Mid-

#### Branch status 'weakening Scottish industry'

By James Buxton, Scottish Correspondent SCOTTISH manufacturing

industry is predominantly a "branch plant economy" and suffers serious weaknesses as a result, according to a survey published yesterday. It has a low level of research and devel-opment, of product innovation and an unimaginative approach to strategic develop-ment, while many companies report slow or even negative

The survey by the accountants Peat Marwick McLintock found that 69 per cent of the 290 companies replying to a questionnaire sent to 673 com-panies were owned outside Scotland. It concludes that advisory services to companies, including government assistance schemes, must be adapted to give more help to larger manufacturing compa-

The study, which concentrated mainly on companies with a turnover of more than £10m and employing more than 200 people, found that nearly half the companies reported "very low" or "low" intensity of research and development, probably because of their probably because of their branch plant status. Rates of innovation were low, with 40

per cent reporting a low level of changes in their products. Some 21 per cent of the com-panies reporting said their growth had declined in the

past three years, while 44 per cent reported growth rates of below 5 per cent. The majority of companies

(86 per cent) gave increasing their share of existing markets as their main strategic direc-tion. Some 58 per cent planned to enter new markets with new products. Nineteen per cent forecast retrenchment from

forecast retrenchment from some markets.
Although 74 per cent were exporters to some extent, 54 per cent had no exports to continental Europe. Some 40 per cent saw the single European market as a major opportunity.
Only 20 per cent had used the Department of Trade and Industry's Enterprise Unitia. Industry's Enterprise Initia-

tive, which the study says may be due to the fact that the initiative is only available to com-panies employing fewer than 500 people, though it may also be the result of outside owner-

Mr Bill Hughes, chairman of the Confederation of British Industry in Scotland, said that many of the figures made "dis-mal reading." He endorsed Peat Marwick McLintock's suggestion that a new body called Scottish Manufacturing Enterprise be created as part of Scot-tish Enterprise, the body into which the Government plans to transform the Scottish Development Agency, to help

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Will All March

#### **Companies** reveal jobs training lethargy

LARGE COMPANIES are extremely unenthusiastic about taking part in Employment Training, the Govern-ment's £1.5bn a year pro-gramme for the adult unemployed, according to an unpublished report commis-stoned by the Department of Employment Employment.

The report says it could take several years to persaude large companies to participate in the programme, which the Govern-ment has said should improve job prospects for the unemployed by offering them training with employers.

The report by the institute of Manpower Studies, at Sussex University, is based on inter-views with 40 companies, mostly employing more than

1,000 workers.

It found that most companies doubted whether the long-term unemployed could be trained to sufficiently high skill levels. They were highly critical of what they described as the excessive inflexibility, jargon, bureaucracy and confusion of the division responsible for running the scheme.

Only about 151,000 people have joined the programme, which was launched in Sep-tember, with the aim of providing an average of six months training to 600,000 people a year. The Government launched a second advertising campaign at Christmas to overcome large companies' reinctance to offer work experience placements for the scheme. All but three of the 40 com-

panies interviewed had participated in previous government training and employment initiatives. But the survey found that only nine expected to take part in ET and of those eight would limit their interest to seeing how the scheme ran.

Even companies which are reappraising their recruitment policies in the face of mounting skill shortages and the decline in the number of young people over the next four years, were extremely doubtful that ET would provide them with an alternative source of skilled

One employer in south-east England is quoted as saying: "If they need to be on this kind of scheme around here, where terms of the Agreement.

Yesterday's session was cochaired by Mr Tom King,
Northern Ireland Secretary,
and Mr Brian Lenihan, the there is so much work going begging, then there must be something terribly wrong with them as potential amployees, so they aren't going to be much use even after training."

Another said: "Where is the benefit to us in selecting from

benefit to us in selecting from a bunch all of whom are likely to be unemployable, otherwise they would not be on the scheme anyway." One said of some of the special categories of unemployed people admitted to the scheme, such as the disabled and ex-offenders: "These categories are just official jargon for the general riff raff they want us to take."

#### Nationalised industries' rate of return to be raised

By Raiph Atkins and Terry Dodsworth

THE RATE of return required on nationalised industries' investment programmes is to be raised to 8 per cent from 5 per cent – the first increase for more than a decade, the Government said yesterday. The rise is designed to bring public sector companies closer to the performance of private investment programmes is to

sector companies. The Trea-sury said it would not discour-age investment although initial reaction by nationalised industries yesterday was mixed. The new rate of 8 per cent in real terms before tax will apply to nationalised industries and public sector trading organisa-tions such as Her Majesty's Stationery Office, the Govern-ment printer and publisher. Required rates of return

Industries. They apply to investment programmes as a whole rather than individual projects and are taken into consideration when financial targets are set by the Govern-

The Treasury said that since 1978 the rate of return in the private sector has risen to about 11 per cent and that this higher profitability was sus-tainable. The 8 per cent set for the public sector reflected the lower risk of investment pro-jects and a desire to keep the rate fixed over the medium

It said that all investment by the public sector should earn a proper rate of return. The new requirements would have no impact on pricing during the lifetime of existing financial targets, it said. The Post Office said yester-

"The new targets will be incorporated into our plans for 1989-90," the company said. British Rail said that in the

financial year. Mr Michael Parker, director

day that it has been achieving rates of return of between \$ and 8 per cent on its assets, although the company sets its main targets on the basis of returns on turnover.

three divisions not supported by Government funds - its InterCity, freight and parcels services - it had been aiming for a 5 per cent return on investment by the 1992-93

economics at British Coal, said his company was already able comfortably to exceed the 8 per cent level. "It will have no impact on us whatever," he

# were introduced in the 1978 White Paper on Nationalised

WITH ONLY three days remaining before the deadline for postal votes in the flotation ballot by members of the Abbey National Building Soci-ety, the society yesterday denied reports that its board had monitored the progress of the vote through information supplied by the scrutineers. Deloitte Haskins & Sells.

By Our Belfast Correspondent

THE OFFICOME of the review

of the workings of the Anglo-irish Intergovernmental Con-

ference, set up under the Anglo-Irish agreement, will be made public within the next few weeks, it was disclosed last

In a joint statement after a

long meeting of the conference in Belfast, British and Irish ministers said they intended to

complete the review and pub-

lish the results at their next

The conference was estab-

hished under the agreement to institutionalise links between

Dublin and London under the

Republic's Foreign Affairs Min-

Both sides are reported to be

ference meetings to include

such matters as health, indus-try and the environment, in addition to political and secu-rity issues, but it is unlikely

there will be any major

The review has been carried out without the support of Unionists in Northern Ireland.

meeting.

**Anglo-Irish review** 

publication imminent

the Building Societies Commission issued a further reminder that it might not allow the flotation to go ahead, if it decided that Abbey National's board had been one-sided in present-

ing the flotation issue.

Mr Michael Bridgeman, head of the Commission, was replying to a letter from Mr Chris

alleged partiality in material circulated to members by the Abbey National board.

1m pople taking part.

Mr Bridgeman said that the Commission had no powers to intervene at this stage, but would have to confirm the flotation if the vote was in favour. The vote is believed to be the largest non-political bal-lot held in the UK with at least

#### UK subsidiary seeks to end eight years of losses

#### Renault Truck Industries aims for break-even point this year

By Kevin Done, Motor Industry Correspondent

RENAULT Truck Industries, the UK subsidiary of Renault Vehicules Industriels, the French commercial vehicle maker, is aiming to break even this year after eight years of

RTI cut its net loss last year to £1.5m - its best financial performance since the com-pany was formed in 1981 from a deficit of 23.1m in 1987 and £10.8m in 1986. The Dunstable-hased truck

maker, formerly Dodge Trucks, which was taken over by Renault in 1981, has run up total net losses in the UK of £99.8m in the eight years from 1981 to

in the aight years from issi to 1982.

The group achieved its first operating profit in 1997, however, of £600,000 compared with an operating loss of £6.5m in 1986, and operating profits improved further to £4.3m in 1986. 1988, according to unaudited

figures.
The RTI truck operations workforce was cut further last year to 1,167 from 1,319 in 1987 and has been more than halved in the last 10 years from 2,747 in 1981. At the same time truck stock levels have been reduced drastically to 198 vehicles in 1987 and 383 in 1988 from a peak of 2,406 in 1983, while production has been maintained at 4,500-5,000 vehicles a year. The company still carries a heavy debt burden, however. It

A SHARP FALL in orders from

oue of its major customers

prompted AB Electronic Prod-

ucts to warn yesterday of a decline in profits for the year to the end of June, its share

price fell 49p to 396p.
Interim results for the six months to the end of December

1968 showed a 10.9 per cent rise

to £7.04m in pre-tax profits. Trading profit, however, alipped from £7.13m to £7.04m

reflecting the sales fall to a

customer of its assembly prod-uct unit - believed to be IBM.

in October but was more pro-longed than initially expected.

Consequently, the company

The downturn first emerged

By John Ridding

incurred £4.6m of net financial costs in 1988 and the big jump in UK interest rates could

profit this year.

Despite the overall boom in UK truck sales (above 3.5 tonnes) last year, RTI was one of the few truck makers to suffer a fall in volume sales.

Its sales fell by 8 per cent to
4,639 from 5,042 in 1987. In
sharp contrast overall new

reached since the peak year of Renault's share of the UK truck market dropped to 5.8 per cent in 1988 from 8.7 per cent in 1987 and a peak of 10.6

truck registrations in the UK

jumped by 17.2 per cent to 67,918, the highest level

per cent in 1982. Output at Dunstable fell last year by 10.2 per cent to 4,585 from 5,104 in 1987. RTI group turnover was virtually unchanged at £105m, however, reflecting its success in selling higher volume of heavy

trucks. RTI suffered last year from its heavy dependence on public sector customers, particularly municipalities and ntilities, when the major boom in com-mercial vehicle sales was in the private sector.

At the same time it lost sales of mini/midibus chassis, which had boomed in 1987 after the deregulation of the hus indus-

Orders blow for AB Electronic

expects the impact to be greater in the second half.

Analysts, who had originally been looking for profits in the region of £19m have revised

estimates downwards to around £15.5m. In the year 1987-88 profits doubled to

Mr Peter Phillips, chairman, said that orders from the cus-tomer concerned were now

improving and that a full

recovery was expected over the next few months.

period slipped from £97.6m to £97.1m and while profits bene-fitted from a sharp reduction

in the interest charge from

Turnovsr for the interim

£16.4m.

Its vehicle sales in the 3.51 to 7.4 tonnes category plunged by 40 per cent to 1,354 from 2,244 in 1987. At the same time its sales of 7.5 tonne rigid trucks jumped by 39 per cent to 1,382 and sales of heavy articulated trucks (over 29 tonnes) rose by 24 per cent to 606.

Renault is pinning its hopes on increasing its share of the UK hesvy articulated truck market, where it captured a share of 3.6 per cent last year. It is planning to invest up to £3m this year to promote a new service charter and code of practice for its 84-strong dealer network, which is to be launched next week and which it claims will break new ground in operator assistance and service levels.

Renault is still overshadowed in the UK heavy truck market hy its international rivals such as Daimler-Benz, Volvo, Scania and DAF, how-ever, as well as by the small UK-based producers ERF and Foden.

The UK remains one of Renault's weakest markets in Europe. Overall Renault Vehicules Industriels took a 12.3 per truck market (above 5 tonnes) last year and achieved record net profits of FFr 1.2bn (2111m) last year.

£782,000 to £36,000 fully diluted

earnings per share slipped to 16.1p (17p) because of a rights

issue at the end of 1937 and earnout conditions concerning

a previous sequisition. The

board has proposed an interim dividend of 4p (3p). Mr Phillips said that with the exception of the assembly product business all the

group's divisions had experi-

enced an improvement during the period. Telecommunica-

tions benefited from its exper-

tise in cable, satellite and secu-

rity anstems and a good performance was recorded by its automotive division, partic-

plarty in Germany.

improving them.
In a presentation to the inquiry, most of the recommendations of which were accepted, the Treasury said its reading of the economy had been impaired by the poor state of official data

Government

to shake up

statistical

By Simon Holberton,

vesterday noveiled a radical reorganisation of its statistical services after widespread criti-

cism of the quality of its eco

The reorganisation will increase the size of the Central Statistical Office fivefold and

more controversially, switch

ministerial responsibility from the Prime Minister to the

Chancellor of the Exchequer.
The Chancellor will also gain

ministerial responsibility for

the retail prices index, the

standard measure of inflation.

Mr Nigel Lawson, the present Chancellor, has in the past been critical including the

effects of higher mortgage interest rates in the calculation

of retail price inflation, a point of view that has not found

favour with the RPI advisory

The quality of UK official statistics has been much criticised in the Treasury, the Bank of England and the City of Lon-

don financial markets. A civil

service inquiry was set up last summer to examine ways of

GOVERNMENT

services

Economics Staff

nomic figures.

committee.

The Government sccepted the inquiry's recommendation for a greater centralisation of the collection of official data in

the UK. It will take over responsibil-ity for the of Trade Department's Business Statistics Office and all the statistical series which the DTI is currently responsible, for example

trade figures.
The reorganisation of the CSO represents a significant victory for the Treasury, which has been critical of official sta-tistics recently.

The CSO had hoped it would remain in the Cabinet Office where it has resided since its creation during the Second World War.
The CSO's staff numbers will rise from around 160 to 1,000. Its hudget will rise from about

£5m to £15-£20m.

#### Abbey denies monitoring vote

In a separate development,

Smith, a Labour Treasury spokesman, complaining about

who have refused all offers of

talks until the Government

indicates its willingness to con-sider an alternative to the

Agreement and suspend the

secretariat in Belfast, which services the conference.

Both governments con-demned the killings and and reiterated their determination to intensity cross-border secu-tity co-operation

The two sides also discussed the continued disruption to traffic on the Beliast to Dublin

railway line, which has caused

economic chaos and threatened jobs on both sides of the bor-

Other matters discussed yes-terday included policy aspects of extradition arrangements

between Britain and the Republic, the British Govern-

ment's new fair employment

laws and the upgrading of the Irish language in the Northern

Ireland school curriculum.

Security was high on the

#### in Brief Brussels clears **Brel debt**

write-off The British Government won conditional clearance by the Suropean Commission to write agenda at the meeting and Mr King and Mr Lenihan dis-cussed the recent IEA murders off £54m owed by Brel, the railway equipment group owned by the British Railways Board, of two senior Ulster pollice-men, who were shot dead as they returned by car to North-ern Ireland after a meeting with senior Irish police in Dunwrites William Dawkins in

The decision clears Brel's 114m sale to a management and employse consortium backed by Asea Brown Boveri, the Swiss/Swedish engineering group, and Trafalgar House, the UK construction and engi-

neering conglomerate. .. The Government must, howto the Commission showing that the company is sticking to its plans to reduce capacity and streamline operations. Officials said the Commis-sion permitted the write-off on the grounds that Brel was not used to working in normal commercial conditions, that the UK railway equipment market is closed to competition from other member states

because of national public pro-curement preferences, and that the restructuring plan would

help curb overcapacity.

EC steel warning The main body representing UK steel users has warned the European Commission that restrictions on investment in coated steel will harm the com-petitive position of European

steel users.

Brussels is surveying the future market for galvanised and other coated steel which is heavily used in the construction, vehicle and domestic appliance industries.

Rodime resignations

The board of Rodime, Scot-tish-based computer disk drive maker, accepted "with regret" the resignation of Mr Len Brownlow, chairman and Mr Mervyn Brown, managing director, over measures to help it out of a financial crisis. They have been replaced by Mr Thomas G. Kamp and Mr Peter G. Bailey respectively.

Merchant ships

The UK merchant shipbuilding industry launched 38 ships of 91,259 gross tonnes last year, nearly twice the 45,598 gross tonnes launched in 1987, according to Lloyd's Register, the independent ship classification society

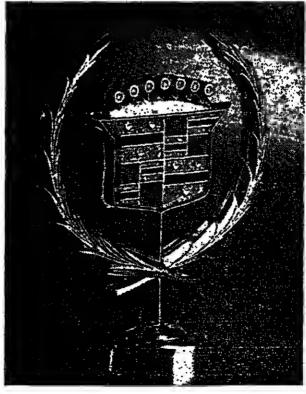
Lending falls

Consumer lending has fallen sharply in the past six months as a result of the Government's high interest rate policies, Mr John Hoddell, chairman of the Finance Houses Association said. Lending in the last quar-ter of 1988 was around the level of the same period a year later,

Bank auction

The Bank of England said is to hold a second "reverse auc-tion" to buy back Government securities and more are likely to be held in the future. The second auction will be held on May 5 and will involve the Bank buying about £500m of medium dated stock. The first reverse auction was held in

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#### **MANAGEMENT:** Marketing and Advertising

bookseliers and authors alike is the fact that publishers fail to distribute their books; a joke in the industry is that Britisb publishers think mar-keting means giving a launch

drinks party.

Even authors have difficulty finding their own best-seller on the shelves of their local booksbops; they resort to phoning in with ghost orders.

Traditionally, booksellers buy most of their stock from publishers. But deliveries can take up to a month; Oxford University Press was notorious

for taking six.

"Publishers produce beautiful, lovely books," says Timothy Melgund, marketing manager of Heathcote Books, a peperback wholesaler, "but they are shooting themselves in the foot by distributing so

west Germany, France and the Netherlands have long had large national wholesaling operations. Observers of the industry in Britain are surprised that wholesalers did not establish themselves sooner in establish themselves sooner in the UK, where they consider that centralised collection and distribution would bind a fragmented industry. But now a new hreed of wholesaler has moved into the market on the back of the publishers' inefficiency and last year they took 20 per cent of the business.

There are now six national book wholesalers in the UK.

book wholesalers in the UK, and the biggest is less than a year old. Speedy delivery of orders, via computerised stock control systems, is the essence

of their service.

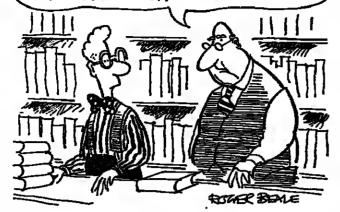
Last year, W H Smith, the
UK's largest book retailer, set
up Heathcote Books. Its rival,
Jobo Menzies, already has Hammick's Wholesale, which is expanding fast and concentrating its nationwide wholesale operation on a new ware-house in Birmingbam this

Heatbcote takes orders by fax, 24-bour telephone lines, teleorder and pre-paid envelopes. It promises 24 hour turn-round, which means that the books - and minimum orders are not required - leave the warebouse in a Securicor van within 24 hours.

In the year ending May 1989, turnover is set to reach £21m, and Heathcote predicts it will double that by May 1991. Despite teething problems with its computerised ordering

system, Heathcote aims to send out overnight any order received that morning to be in the bookshop, anywhere in England, the following day. Wbolesalers provide a

WE'VE GOT COMPUTERISED STOCK CONTROL. DISCOUNT PRICING AND 24-HOUR DELIVERY. ALL WE NEED NOW IS FOR PEOPLE. TO READ A BIT FASTER



#### A growing business with a dwindling customer base

Rachel Johnson explains the paradox of Britain's book wholesalers

quicker service, but it is more expensive than that of publishers, which explains their limited penetration into the UK market. The total wholesale market is estimated at £150-£200m, out of annual industry sales of about £1.5bn. Wholesalers tend to operate

on a 15 per cent gross margin. They buy from publishers at a 50 per cent discount, and sell to the retailer at 35 per cent. Wholesalers say that the service they offer makes their price worth paying. Small bookshops, with little shelf space, do not need to clutter up their shelves and backrooms with orders from publishers, or remaindered piles of titles.

Instead, the wholesalers keep a large stock of current titles, (about 40,000), and many publishers' complete lists. All the small bookshop has to do is place its order. And the customer can claim it the next

day.

Kip Bertram, chairman of Bertram's Books, a wholesaler of hardbacks, claims that

wholesaling is causing a revo-lation in the book trade. Wholesalers, ba says, are exposing a wider range of books to the risk of sale than before. But various things are threatening their new-found

The obvious problem is their expense, which retailers consider prohibitive. Even the major players like Dillons do not relish paying a premium, even for a fast service, which is vital for the health of the small independents.

Terry Maher, chairman of Pentos, says that Dillons, which it owns, only uses a wholesaler in an emergency; otherwise Dillons relies on the publisher to get books onto the shelves. A chain bookshop will use a wholesaler only to "top up" stocks of fast-moving titles. Bertrams recently sup-plied a chain with 20,802 copies of the top-selling BBC Diet Book for sale the next day; publishers could not meet demand so quickly, though they offer better financial

terms.
The question mark hovering over the future of the small independent bookshop, the wbolesalers' biggest customer,

is another worry.

Bertram thinks that the campaign, spearheaded by the Pen-tos chairman, to abolish the Net Book Agreement, which allows publishers to set mini-mum prices for their books. will push up book prices and the small independent bookshop out of business.

"The discounted book will look like a bargain, and the recommended retail price will seem like too much. Small bookshops make their money on top sellers, and once this icing goes to the big boys offering discounts, the small shop

icing goes to the mg boys onering discounts, the small shop
will go hust," says Bertram.
Wholesalers are also concerned that the small high
street bookshop will not he
able to afford the higher business rates, scheduled to be levied in 1990, and will have to
cede their sites to the chains.
These "multiple chain out-

These "multiple chain outlets" such as Waterstones, Sherratt & Hughes, Hatchards and Dillons, could then be expected to buy independents. Arthur Young, the manage-ment consultancy, predicts that the multiples will increase their share of total books sold from 17 per cent in 1995 to 23 per cent in 1993, all at the expense of the small independent. The consultants expect

between 200 and 300 small bookshops to close by 1995. On top of these threats, the Pentos group is winning itself a reputation for "aggressive credit management," which in turn is hurting the wholesal-

According to the industry's publication, The Bookseller, this amounts to taking longer credit periods than almost any other leading bookseller - up to 100 days to pay monthly

Both Bertram and Heathcote stopped supplies to the Dillons shops last month, and there have been complaints from both wholesalers and publishers that Dillons' suppliers were being used as bankers.
"Late payments mean that

Dillons will soon be looking at empty shelves, and will be in no position to offer its customers discounts if it breaks the Net Book Agreement," says Bertram.

Despite thesa problems wholesalers say they are set to thrive. They have technology, speed, and they offer an essential service to the small inde-pendent bookshop. But if their main customer disappears, they will have to woo the big chains. Agency fees

#### 'It keeps us on our toes'

Philip Rawstorne explains why Hyde is paid by results

hen a company has to replace its adver-tising agency, it loses a significant investment, says Thayne Hansen, director of communications for Dow Europe, the chemicals group.

"A great deal of time and effort goes into ensuring that the agency understands the company, its culture, its business, its products. If the agency goes, all that is lost, and you have to start all over

again with a new agency.
"I want to do everything I can to ensure that the invest-ment in our agency produces a return not only in the immedi-ate future but that it is also going to produce greater returns in the long term."

It was with such thoughts in

It was with such thoughts in mind that a year ago Hansen proposed to Hyde & Partners, its London advertising agency, a new kind of relationship based npon performance-related payment for its services. Hyde, a business-to-business specialist whose clients include Gould Electronics, Amdahl and Blue Circle, had then been working for Dow Europe for some 18 months on advertising, direct response, and public

some 18 months on advertis-ing, direct response, and public relations campaigns, many of them pan-European in scale. It was paid for this work under a standard agency con-tract, partly by commission — mark-ups on advertising space

mark-ups on advertising space and other products and services bought on Dow's behalf—and partly by fees.

Hansen says: "I emphasised that I was not just trying to find a way of reducing that compensation. I fully expected to continue to compensate Hyde at competitive levels for the service it provided."

A four-fold increase in Dow business for the agency this

business for the agency this year — at 24m a year, it now represents a fifth of Hyde's turnover - undoubtedly sweetturnover – undountedly sweet-ened the approach. But Peter Hyde, chairman and managing director, says: "The mutual trust already established was a key factor in enabling us to redefine our relationship." Hyde recognised the poten-tial advantages of a new per-formance-related, payments

formance-related payments system. "If it worked well, it meant that Dow would never take its business away." He adds: "I also found the prospect entrepreneurially exciting. It would keep us on



reduction in its hourly charges for its work for Dow. "We proposed certain rates," says. Hyde, smilingly, "and Dow beat us down."

Basic remuneration thus agreed, Hansen and Hyde then set about establishing a system of measuring the agency's performance that would determine whether, at the end of each year, it would get a bonus or forfeit some of its profit.

"It had to be a multistive

"It had to be a qualitative evaluation," says Hansen. It was decided — with some "psychological objections" from

Hyde – that a zero rating would be set for a level of ser-vice that met Dow's expecta-

tions. Plus or minus ratings

would measure the extent to

which performance exceeded or fell below that norm.

The two men drew up a list of about 40 criteria on which

the agency's service would be rated. There would be an over-all assessment of the agency's work, and judgments on perfor-mance in specific areas such as

account management, research, public relations,

media, creativity, production

and PR, much of it on a pen-European scale party purchases.

With the removal of this eleour toes by giving us incenour toes by giving us incentives to improve our service, exceed Dow's expectations, and earn a bonus. It would mean that any problems could be identified quickly and precisely, and removed before they soured the business relationship."

Hansen and Hyde agree that ment of risk, Hyde, in turn, was able to offer to pass on any discounts obtained as well as a

Hansen and Hyde agree that it was the strength and sophistication of the agency's internal accounting and administrative controls that proved the basic essential for devising the

new compensation system. Hyde says: "Our computer software enables us to monitor exactly the level of service given to each of our clients; to measure costs precisely, and to check continuously certain key ratios to ensure we remain a

profitable agency."

These internal controls are open for Dow's inspection. As a result. Dow is able to appreciate the extent to which Hyde buys goods and services on its behalf — and the cash flow problems that might ensue for the agency if Hyde's mark-ups on the deals were removed and Dow was "delinquent" in paying the accounts.

Dow responded by offering to underwrite Hyde's cash-flow with an annual cash injection based on the net costs of third and finance.
On its handling of Dow's media requirements. Hyde's service would thus he measured according to the effectiveness of its negotiation of advertising rates, its ability in selecting media positions, its control of media budgets and its help in providing Dow with general media information.
On the production side, it would be judged by its proficiency in selecting and handling suppliers, by the quality of print and press reproduction, and by its ability to meet delivery deadlines.

The agency's creativity

The agency's creativity would be evaluated by refer-

would be evaluated by reference to the concepts accepted as "right first time", and by the quality of visual executions and draft copy.

Overall, Hyde's commitment to Dow, its responsiveness to the tasks set for it, and its control of joh budgets would be taken into account.

trol of joh budgets would be taken into account.

The evaluation, it was agreed, would be carried out by the Dow executives working most closely with Hyde. Hansen gave them an individual "weighting" according to their degree of involvement to make it less likely that the evaluation would be distorted by any one off involvement. one-off involvement.

To identify any problems that Dow, itself, might create in the working relationship, a set of criteria was then estab-lished to enable Hyde's staff to evaluate Dow's contribution, in setting realistic budgets and timescales for its targets, in supplying technical and mar-ket data, and in its speed of approval for work orders, involces and payments.

involces and payments.

An arbitration procedure
was also agreed. "But that is
not a provision to allow either
of us to scrap the system if we
do not like the results," says
Peter Hyde, "We have set
agreed objectives. Arbitration should ensure that nobody can manipulate the situation."

The new payments system came into operation on January 1 this year, with upper and lower limits set for Hyde's

total remuneration.
"If we achieve the highest possible rating, we shall double our profit this year on the Dow business," says Peter Hyde.
"On the lowest rating, we would cover our costs but make no profit at all."



To Companies helping turn the wheels of economic and social progress in the developing countries of Asia Africa and Latin America, an invitation to register for the 1989 World Development Awards for Business.

#### The purpose

The Centre for World Development Education with support from the Overseas Development Administration of the Foreign & Commonwealth Office, wish to recognise and broadcast the achievements of those enlightened British Companies who regard their success and the development of those countries in which they operate as part of a single strategy.

#### for your Company:

World Development urowed a community towards developing its own sustainable **Awards** for Business

#### The Awards

In order to encourage others to follow, four trophies will be The IBM Award for Su

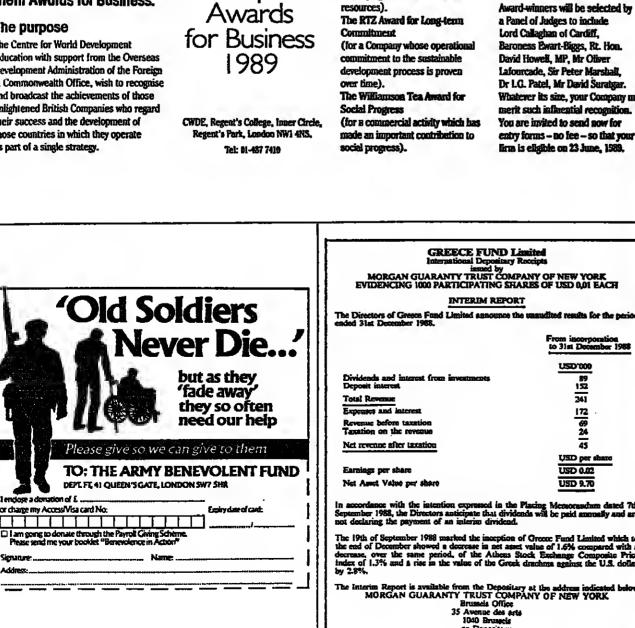
Development (for commercial activity that has resources).

The CWDE Award for Effective

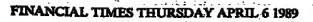
(for an item of company publicity material which increases understanding of the contribution which can be made to development by British business).

#### The judges & timetable

a Panel of Judges to include Lord Callaghan of Cardiff, Baroness Ewart-Biggs, Rt. Hon. David Howell, MP, Mr Oliver Lafourcade, Sir Peter Marshall, Dr L.G. Patel, Mr David Suratgar. Whatever its size, your Company may merit such influential recognition. You are invited to send now for entry forms - no fee -- so that your firm is eligible on 23 June, 1989.







# Take off for £25 and and give the children a break. We'll offer you a free 'companion' donation of just \$25 (for European

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destinations) or £50 (for International destinations) to receive your second

ticket. It could be just the break your

partner needs. It's certainly a break

the children need. For full details,

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today or telephone British Airways on 01-897 4000.

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Airways destination out of Gatwick

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North if you'll help to raise £1 million

for Save The Children.

ticket before 12th May for

any flight up to the end

of August and make a

#### **TECHNOLOGY**

# A problem becomes a quantum opportunity

Clive Cookson explains why electronics researchers are focusing on ultra-small devices

ics industry has reduced the size of components on a typical inte-grated circuit from ten microns (millions of a metre) to one micron. This has led to spectacular improvements in per-formance and to reductions in cost and energy consumption.

But the lews of physics mean that a further tenfold reduction in the size of conventional electronic components will not be possible. When a transistor is made as small as 0.1 microns, the electrons which carry the electric cur-rent no longer operate as free-flowing particles – and "quan-tum" effects begin to interfere with normal operation.

These present the industry not only with a problem but also with a tremendous oppor-tunity. Researchers are designing a new range of ultra-small electronic devices which take advantage of quantum effects to work much more quickly than conventional components.

Texes Instruments recently announced the development of "the world's first quantum effect transistor" at its Dallas laboratory. It is 100 times smaller and capable of switching 1,000 times faster than a conventional transistor.
"Practical applications are

about a decade away, but one day we might see a lap-top supercomputer that runs on flashlight (torch) hatteries, says George Heilmeler, chief technical officer at Texas Instruments, "The increase in performance – and decrease in cost per function - that quantum effect devices promise make comparing them with today's semiconductors like compariog semicooductors with yesterday's vacuum

Quantum effects begin to come into play when semicon-ductor materials are laid down in layers, each less than 100 atoms thick. The electrons can no longer move freely in all three dimensions and under this constraint they begin to behave out only as particles specific non-overlapplog layers of atoms in order to

Consolidated Income Statement, SEK m

Other operating earnings

Exchange rate adjustment

income after financial items

Operating expenses

Normal depreciation

Operating income Dividends, etc.

Interest earnings

Interest expenses

Nonrecurring items Income before year-end

Minonty interest Year-end provisions

after tax paid

Return, percent

stock investments.

- after full tax

provisions and tax

Consolidated net income

Calculated net income per share, SEK

- after nonrecurring items and full lax

During 1988, AGA concentrated its operations in three areas: Gas,

Frigoscandia and Energy. The Group also strengthened its positions

in these areas through investments in new plants and acquisitions.

income from Gas operations and Frigoscandia improved in 1988,

while earnings from Energy operations declined. It is difficult to com-

pare results between 1987 and 1988 due to acquisitions during the

Consolidated sales totaled SEK 9,805 (1987: 10,591) m, an increase of

Operating income after normal depreciation rose 20 percent to SEK

1,334 (1,115) m, and income after financial items increased 13 percent to SEK 1,150 (1,014) m. Operating income corresponded to 13.6 (10.5)

percent of sales and income after financial itams to 11.7 (9.6) percent.

Nonrecurring items in 1988 amounted to a surplus of SEK 48 m. In

1987, nonrecurring terms yielded e deficit of SEK 176 m, which included anticipated loss of SEK 214 m from the sale of Tool Steel operations. The amount includes capital gains of SEK 6 (61) m from

two years and the divestment of Tool Steel operations effective

11 percent aftar adjustments for operations sold and acquired.

- on capital employed, before tax

- on adjusted equity, after tax

Average number of employees

ver the past two decades the electrosics industry has energy levels and "resonate" when confined to a region the same size as their wavelength. rather like a piano wire or gui-tar string producing sound at

its resonant frequency.

Many quantum effects can
only be described by mathematical equetions, and attempts to explain them in everyday language inevitahly sound bizarre. An example is resonant "tunnelling" - e key concept in quantum electronics by which an electron or

other subatomic particle can pass through what would be an impenetrable barrier according to the laws of classical physics. It has been suggested that the phenomenon of "cold" nuclear fusion, announced at the University of Utah last month, is a quantum effect — atomic nuclei joining together as a result of tunnelling. Joho Beeby, professor of physics at Leicester University, says that the difficulty of

'One day we might see a lap-top supercomputer that runs on torch batteries'

explaining quantum electron ics is one reason why the field receives so little attention from the public compared with more glamorous subjects, such as high energy physics which can be visualised in terms of tiny particles smashing into one

another at very high speeds.

Despite the lack of public interest, governments and industry are committing substantial resources to research ioto the "low-dimensional structures" which produce quantum effects. The UK Science and Engineering Research Council has spent £22m on its Low-Dimensional Structures and Devices Programme over the past five years. SERC esti-mates that 620 scientists and research students are working on the subject in Britain.

There are two techniques for sion in a laser, much more effilaylog down extremely thin Quantum lasers under devel-



This is a cross-section of a "quantum superlattice" grown at Philips Research Laboratories in Redhill. The Image, taken with a transmission electron microscope, shows afternating leyers of gallium arsentde and aluminium arsentde. The thickness of each layer is three atoms or about 0.01 microns - 10,000 times thinner than a human hair

Laboratories, STC's research centre in Harlow, will generate many megawatts of energy per square centimetre. "They will be much hrighter than the surface of the sun," says Professor Colin Goodman of STL

Most development work so This year STC, at its factory far has focused on ultra-thin layers, in which the movement in Devon, will start to produce quantum effect lasers for the of electrons is constrained in new optical media being introone dimension and free in the duced to store computer data. And the company has a conother two. But scientists expect to ohtain more spectacular tract from the European Space quantum effects by imposing Agency to develop similar lasers for flashing messages restrictions in one or both of the remaining dimensions.

In a "qoantum wire" the electrons are free to travel in one dimension. And the ultimate low-dimensional structure is a "quantum dot" or "quantum box" which does not extend for more than 100 atoms in any dimension.

Researchers have made quantum wires by using high resolution electron heam lithography to slice up atomic layers that have heen laid down by MBE or MOCVD. And the wires can be divided again to produce quantum dots. But the techniques used so far are

opment at Standard Telephone not sensitive or reliable enough to make commercial

> However, Professor Pepper's group in Cambridge is develop-ing "the next generation" of equipment which will combine MBE and lithography in a sin-gle machine. With this, it will be possible not only to produce better quality quantum wires and dots hut also to make entirely new devices based on alternating sequences of atomic layers - known as "quantum superlattices" (see photograph). Researchers at the Univer-

sity of California, Santa Barbara, have taken a quite differeot approach to quantum wires, Professor Pierre Petroff and his colleagues recently succeeded in making a parallel array of millions of ultrafine wires in one stage hy MBE. They grew the wires on the microscopic steps of a tilted crystal surface. The technique works because the atoms, once deposited, migrate and accumulate in these steps - rather like snow drifting across a ploughed field and accumulating in the furrows.

#### Photos from a chip

TOSHIBA, the electr company, and Full Photo Film have made an agreement which should help take the electronic still camera into the consumer market.

companies are working on a product, called the IC Card Camera, in which images are stored in a digital, compressed form in prated-circuit men chips, rather than on the two-inch magnetic diek sio of current designs. Both companies believe that the establishment of an indus format in this area is the key to broad market acceptar of the product.

capacity comparable with conventional film cameras it is hoped that the signals coming from the image compressed to record 50

frames on a 20 magabit card. It is expected that the card will use Toshiba electrically erasable, programmable, read-only memory (EEProm) devices: These hold date indefinitely without a battery, whereas the prototype cameras developed so far have used random access memory, which needs better

back-up. Toshiba and Fuji believe that they will achieve picture quality comparable with Super-VHS video and better

storage. Since the picture information is held in accessible digital form, picture content and colour can be modified. And with no moving parts, reliability

#### Foam insulation without CFCs

FOAM plastic for use in the building industry, produced without chlorofluorogarbons (CFCs), has been developed by Cape Phenotoam of Tyne and Wear, in the UK.

CFCs are widely believed to be destroying stratospheric ozone, allowing excessive ultraviolet light to reach the earth's surface

The team plastic, which is made in board, slab and block form, is said to be ideal for industrial insulation. particularly in heating and ventilating systems and in industrial plant which calls for lagging. Known as Capaphen, the

1007

meterial is claimed to react better to fire then other plastic foam products. It of low texticity and also has low water vapour conductivity, or "k" value, to 0.03 and the material can be used between -190 and + 120 deg C.

Foam plastics account for 18 per cent of the UK's total CFC consumption. In 1987, about 28,000 tonnes of foam plastic inculation containing CFCs was used in UK buildings and nearly 3,000 tonnes of CFCs were used to produce the material.

**Guarding against** porous castings A SYSTEM for Impregnating castings with realn, to guard against porcelly, has been aunched by Ultr International, of Birminghan in the UK. Porcelly reduces the strength of castings, giving rise to stress areas

Called MX, the system has been designed to meet the needs of advanced menutacturing lines, includi automatic handling and integrated manufac systems. It consists of five stations installed benealth a small gentry crane or an automated transporter system, which will move baskets of castings under

omputer control.
The stations carry out pre-washing, air remo and curing of the Impregnation, Each function can be programmed to ensure the best results for a

particular product.
Automatic loading and
unloading of the baskets can
be provided to allow the MX to be integrated into a flow-line. Other treatme such as phosphating and chromating, can be incorporated.

#### Tank-like tracks for tractors

A FRENCH company, Colmant-Cuveller, has developed a system called Kitco that cen be fitted to a tractor to give it the gripping power of a heavy-duty

Mada in one piece from reinforced rubber, which is istant to shock loading each track is capable of transmitting high torque. Two tracks are fitted, each running



#### WORTH WATCHING

Edited by **Geoffrey Charlish** 

round a rear wheel and a supplementary tension who Acting rather like a tank track, the system greatly increases traction and the hydraulic rams. Once little the tracks provide a five-fo increase in the area of contact with the ground

A further advantage is that the tractor's weight is distributed over a wider area avoiding soil compaction in applications like spraying, or spreading fertiliser.

#### Stowaway tail with a big lift

RAY Smith Tall Lifts, of Peterborough in the UK, has aunched a model that can ... cope with a load of one tonne. but can be stowed away under a truck's chastis to take up only the last 1.3 metres of the vehicle's length.

The company claims the unit, called Zoom RS10Z, is at least 700 kg lighter, 2500 cheaper and 50 cm shorter than rival products.

if comprises a self-contained, electro-hydraulic lift that rolls in and out on short tracks bolted to either side of the chassis. When retracted under the tall It does not project beyond the back of the vehicle. Neither does it encroses on the truck's floor structure or chassis shape. Extended for use; it can lift one tonne from road level to the height of the

truck floor. The Zoom is also available in detachable form — it can be removed in less than 15

CONTACTS: Toeniba: Tokyo: 457 2104, Cape Phenotoam: UK, 081 418 1111. Utraseat: UK, 0875 46700, Colmant Cuveller: France, 2051 3838, Ray Smith: UK, 0733 46524.

Income of the AGA Group, after financial items, increased 13 cent in 1988, to SEK 1,150 million (SEK 1,014 million in 1987), in accordance with the preliminary report.

The Board of Directors proposes an increase in the dividend, to SEK 6.50 per share, as against SEK 5.25 last year. in 1989, Group income is expected to increase but not as strongly as in 1988.

AGA's own valuation of its energy assets indicates SEK 65 to 85 per AGA share.

**AGA Group Final Report** 

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-487

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48

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379

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-176

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-204 446

17,40

13.60

15.3

124

16,138

318

on 1988 Operations

Including AGA's share of profits in major associated companies, the-Group's calculated net income before nonrecurring items amounted to SEK 950 (826) m after deductions for tax paid and to SEK 725 (646) m after full tax

Group Investments in plant and equipment totaled SEK 1,540 (1,828) m, Including SBX 204 (142) m for plant in acquired companies. To this should be added SBX 151 m in additional expanditures for acqui-

#### Gas operations

miconductor constituents as

Low-dimensional structures

have enormous promise for the future, but the practical appli-

cations at the moment tend to be in niche markets," says Pro-

fessor Michael Pepper, who

heads the semiconductor phys-ics group at Cambridge Univer-

The most important commer-

cial application of quantum electronics so far is to produce

more efficient semicondoctor

lasers. STC, the UK electronics

group, makes powerful mili-tary lasers which use quantum

These "quantum well" lasers

are based on layers of gallium

arsenide four or five atoms (0.02 microns) thick. The elec-

trons and holes (electron

vacancies which act as positive

charge carriers) are trapped in

very small regions in the semi-

conductor," explaios Roger

Gihh, technical manager of

STC's optical devices division.

of electrons and holes, which is responsible for the light emis-

This makes the recombination

etween satellites.

atomic lavers.

Sales from Gas operations in 1988 rose 18 percent Recently acquired companies accounted for six of the 18-percent increase. Operating income increased 33 percent, of which five percentage points was contributed by new companies. Margins, accordingly, increased from 14 percent of sales in 1987 to 16 percent in 1988. Operations in the Nordic countries and Latin America yielded particularly notable improvements in eamings.

Capital expenditures declined as planned in 1988 and investments in plant and equipment amounted to SEK 1,227 (1,345) m, or 18 (24) percent of sales. Large atmospheric gas plants were completed in Brazil and Venezuela and the construc-

and in West Germany in cooperation with Klöckner Stahl. La Liquéfaction de l'Air S.A., a gas company in France, was acquired in 1988. In the U.S., AGA acquired Welders' Supplies and Gases Inc., a gas and welding distributor.

tion of new gas plants was started in Sweden, Finland and Uruguay

Graup Operations, SEK m	1988	1987
Gas		
Sales	6,734	5,716
Operating income .	1,076	806
Return on capital employed, percent	18	17
Investments in plant and equipment	1,227	1,345
Average number of employees	9,919	9,313 .
Frigoscandia	•	
Sales	1,968	1,698
Operating income	182	151
Return on capital employed, percent	17	18
Investments in plant and equipment	230	· 224
Average number of employees	3,060	3,026
Energy		
Sales	1,107	1,097
Operating income	78	99
Return on capital employed, percent	11	13
Investments in plant and equipment	82	89
Average number of employees	564	566

Frigoscandia sales increased 16 percent, of which five percentage points was attributable to recent acquisitions. Operating income rose 21 percent, including nine percentage points contributed by new companies. Income from storage and food processing as well as equipment sales and transportation operations improved in 1988.

Effective October 1, the Group's cold store and transportation operations in Denmark were expanded through the acquisition of A/S De Danske Kolehuse Cold Stores, Earlier in the year, Frigoscandia ecquired a majority share in Design Systems Inc., an American engineering company that has developed systems used to cut food products with water jets.

Revenues from Energy operations rose one percent last year but income declined due to less favorable weather conditions, compared with 1987. Furthermore, additional shares were acquired in a nuclear power plant, which, in the short-term, leads to a reduction in income.

In accordance with a decision reached at an extraordinary Shareholders' Meeting on October 21, 1988, AGA's employees in Sweden

were invited to subscribe to convenible debentures. At the same time, certain management personnel in AGA companies outside Sweder were invited to subscribe to debentures with equity warrants. The offer was accepted by 88 percent of AGA employees in Sweden and 99 percent of entitled personnel outside Sweden. As a result, AGA issued a convertible loan in February 1989 totaling SEK 204 m, correspond-Ing to 887,250 restricted B-shares after conversion at a rate of SEK 230, and a debenture loan with equity warrants totaling SEK 70 m, corresponding to 275,000 free B-shares at a rate of SEK 254. Maximum dilution of share capital from the issues will be 2.45 percent.

Valuation of AGA's Energy operations, etc.

....

Because of the considerable value currently represented by AGA's Energy operations the Annual Report contains a detailed description of the energy assets and AGA's view of their value. AGA estimates the market value of these assets, plus AGA's shareholding in Avesta AB, to between three and four billion Swedish Kronor, corresponding to SEK 65 to 85 per AGA-share. The book value is SEK 1.2 billion corresponding to SEK 25 per share.

Dividend proposal

Consolidated Balance Short CEY or

The Board of Directors has proposed an increase in dividend from SEK 5.25 to SEK 6.50 per share; in total SEK 308 m. The Annual General Meeting will be held May 23, and May 26 is proposed as the record day for dividend payment. The dividend is expected to be paid through VPC on June 2.

CONSTRUCTION DESIRES STORY SEA IN	1988	7987
Liquid assets and investments	2,945	2,551
Accounts receivable, trade	1,714	1,889
Other current receivables, etc.	510	503
Inventories	673	1,215
Long-term receivables, etc.	498 -	356
Shares	617	654
Land, buildings, machinery	8,094	7,749
Total assets	15,051	14,917
Short-term loans	1,446	3,044
Other current liabilities, etc.	2,166	2,393
Long-term loans	: 3,175	1,569
Other long-term liabilities	1,735	1,904
Convertible loans	. 3	4
Minority interest	· 75	165
Untaxed reserves	. 2,505	2,141
Share capital	1,182	1,182
Legal reserves	1,797	1,787
Free reserves	413	282
Net income	. 554	446
Total shareholders' equity	3,946	3,697
Total liabilities and shareholders' equity	15,051	14,917
Solvency, percent	34.9	329

Forecast for 1989

A satisfactory start has been made to 1989, with the exception of the impact on energy operations of the mild Swedish winter, as well as: obvious risks for exchange-rate adjustments in a number of Latin American countries. However, AGA expects a continuing improve ment in consolidated income in 1989, although not as strong as in 1988.

Lidingō, Sweden, March 29, 1989 AGA Aktiebolag Board of Directors

GA shares are fisted on the stock exchanges in Stockholm, He London, Tokyo, Zurich, Basel, Geneva and are sold in the USA via ADR Deposits.

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S.n.A. - Registered Office in Milen - Via Pola no. 14 Share Cepital Lit. 300.000.000.000 fully peld up - Milan Court, Companies Registry No. 12857 - Fiscal Code pp. 00866060157

#### NOTICE OF A GENERAL MEETING OF SHAREHOLDERS

Shareholders are hereby convoked to attend an ordinary General Meeting of shareholders, to be held at the Company's registered office in Milan, Via Pola no. 14, on 13 April, 1989, at 11.00 a.m. (first call), and, il needed, on 14th April, 1989 (second call), same time and place, in order to discuss and vote upon the following items on the

Reports by the Board of Directors and Statutory Auditors on the fiscal year 1988; 2. Financial Statements for the yeer 1988 and

Appointment of an Auditing Company for the auditing and certification of the accounts for the financial years 1989/1990 and 1991 under D.P.R. no.138 of 31st March 1975 and resolution of the respective

Appointment of Directors and any authorization according to article 2390 c.c.

Those shareholders who have deposited their share certificates, at least five days prior to the General Meeting with the registered office or with the depositary banks listed below will have the right to attend:

Banca Commerciale Italiana, Banca Nazionale dell'Agri-coltura, Banca Nazionale del Lavoro, Banca Popolare di Bergamo, Benca Popolare di Milano, Banca Popolare di Novara, Banco di Napoli, Banco di Roma, Banco Lariano, Cassa di Risparmio delle Provincie Lombarde, Credito Italiano, Credito Pomagnolo, Credito Vareaino, Istituto Bancario Italiano, Istituto Bancario San Paolo di Torino, Monte del Paschi di Siena, Monte Titoli (for certificates deposited with the same), Nuovo Banco Ambrosiano. Ambrosiano.

On behalf of the Board of Dir (ing. Gluseppe Bencini Charmen

NOTICE TO HOLDERS OF WARRANTS to subscribe for shares of Common Stock of

#### **TDK CORPORATION**

in conjunction with

U.S. \$150,000,000 3% per cent. Bonds 1991

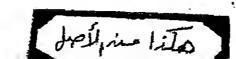
A General Meeting of the Shareholders of TDK Corporation (the "Company") held on 27th February, 1989 has resolved to change the Company's financial year-end from 30th November to 31st March, As a transitional measure, the Company has a four month financial period running from 1st December, 1988 until 31st March, 1989 and thereafter its financial year will run from 1st April until 31st March, the next year. Accordingly, the record date for payment by the Company of cash dividends will be 31st March in each year.

Notice is hereby given that, san result of the foregoing, the Dividend Accrual Period (sa defined in Condition 4 of the Warrants) with respect to the shares of the Company issued upon exercise of the captioned Warrants, will be a four-month period ending on 31st March, 1989 and thereafter each six-month period ending on 31st March or 30th September in each year.

**TDK CORPORATION** 

Dated: April 6, 1989

By: The Bank of Tokyo Trust Company



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# Great acting — shame about the scripts

PATTY HEARST Paul Schrader

PUNCHLINE David Seltzer -

CROSSING DELANCEY

Joan Micklin Silver

**ALIEN NATION** Graham Baker

**PARENTS** 

LA LECTRICE ... Michel Deville

Lating Hearst is a fascinating true-life story and should have been a fascinating film. But as directed by Paul Schrader and scripted by Nicholas Kazan, it is a fascinating miss. If only the spirit of Welles's Citizen Kans, that fictionalised life of Miss Hearst's grandpappy, had come down from its heavenly Kanadu to bite Schrader's film in an impressionable place.

Patty Hearst, you recall, was the 19-year-old heiress who in 1974 was kidnapped, held captive and possibly brainwashed by lunatic-fringe terrorists. "We are Symbionese if you please" they cried, or might have done, as they crashed into her apartment one February night and hauled her off for a 7-month stint of bank robbery, ransom demands and politi-

robbery, ransom demands and politi-

cal propagandising.

First the good news. Hearst is superbly played by Natasha Richardson, daughter of Britain's own onewoman answer to the Symhionese Liberation Army, Vanessa Redgrave. Richardson's American accent could fool all the people all the time, and her early terrors are powerfully convincing. Cowering in a cupboardprison, she is visited by bullying sil-houettes demanding sex, ideological submission or voice-tapes to send to

the outside world. Meanwhile panic visions of her potential fate — a body thrown into a grave — blink through the early scenes in hlack and white, And Schrader's stroboscopic style, where shadows flicker like bats and light pulses in long, eerie funnels, puts us in touch with the kidnappers disorientation techniques.

But once Patty leaves her cupboard and joins in with the terrorists, the movie becomes both fuzzy and ordinary. We never know her true motives: we never again enter her mind. All we see, as we potter on from robbery to robbery, is this Hole in the Head gang who when not being amusingly loopy (especially the white member, who, keeps blacking up. member who keeps blacking up. (Of course same answer.)
believing that blacks are the only true. Performing your heart out to a cold

Simon Rattle's recent South

Bank performance of Schoen-berg's Gurrelieder still rings in

one's ears; and yet his account

of The Creation on Tuesday,

this time with a carefully reduced London Philharmonic,

had equally magnificent peaks.
The large London Philharmonic Choir had a lot to do
with that of course, not to

Still, The Creation - despite the initial "Representation of

Chaos," which predictably Rat-

tle made deep, dark and fraught – is essentially inno-cent and cheerful, less dra-

matic than any late Haydn Mass. It was the conductor's

masterly pacing of the work, number by number, with most of them kept beautifully down

to scale, that allowed the full-

throated paeans to soar. The choir were at their brightest

mention Haydn himself.

Haydn's Creation



The film would have picked up if Kazan's unexciting, linear script had been discarded and if Schrader the talented director (Cat People, Mishima) had formed a one-man team with Schrader the brilliant writer (Taxi Driver, Raging Bull). Then sparks might have flown, a volatile story might deservedly have ignited.

Still, better this than David Seltzer's Punchline, which tries to bring new life to that old perennial, the brokenhearted clown. But the writer-direc-tor's attempt to plant the kiss of life on a atory about a two aspiring stand-up comics (Tom Hanks and Sally Field), who find the grief behind the greasepaint in New York's seedy clubland, resembles an asthmatic's attempt to blow up a defective rubber

Scene: "The Gas Station" comedy club. Time: now, or more accurately never. Hanks is the ex-medical stu-dent and budding comic genius who falls apart on stage the first time a ton TV talent scout comes to see him. Will he recover and come good again? (Of course: this is Hollywood: next question.) Fields is the downtrodden housewife who defles her husband and three children to tread the nightly boards. Will she find her fulfilling moment of glory and applause?

The LPO players relished the piece has to be captured their pictorial turns as much faithfully and maintained: as Rattle did: Haydn took an pious, naive and sweet, but

Natasha Richardson in "Patty Hearst" and Tom Hanks in "Punchline"

freedom-fighters) are unamusingly or hostile audience is a frightening brainless and bellicose. experience and one with which David Selizer, who screenwrote Six Weeks and Table For Five, will probably be familiar. Punchline has one thing going for it. Tom Hanks (late of Big), he of the tousled, rubbery charm and fizzing delivery. (Does he shake himself np like a champagne bottle before

> You believe that Hanks could be a great stand-up comic: as you never believe it of Sally Field, all apple cheeks and self-ingratiation. And considering how maturely he handles the tear-jerking scenes, Hanks could even hecome a great movie actor. But finally he too is defeated by the film's deadly triad: its mushy plot, its muzack music and its determination never to find a truthful middle way between the cuts and the cautionary.

Cuteness is less terminal in Crossing Delancey, though I do suggest an immediate check-np. This Jewish-American folk comedy from director Joan Mickin Silver (Hester Street, Head Over Heels) turns a stage play by Susan Sandler into a low-energy, hy Susan Sandler into a low-energy, high-saccharin movia. Chestnut-curled, blue-eyed Amy Irving (is she turning into Mary Pickford?: I think we should be warned) manages an Upper West Side bookshop by day and dreams of romance by night. Will it be with famous Dutch author Jeroen Krabbe, a preying Priapus under the

Pulitzer facade? Or will it be with handsome pickle vendor Peter Rie-

Amy's Jewish mother (Reizl Bozyk) clincks and counsels. Amy's boss (George Martin) gazes solicitously at her across his crowded celebrity soirces. And the streets of New York fill np with Sylvia Miles (blousy matchmaker). Rosemary Harris (snooty authoress) and other advanced divas looking for employment. (I most cherished the feather-hatted old bag-lady who comes into a bar one night and sings "Some enchanted evening" to a thunderstruck clientele.)

The movie is sweet-toothed to a fault, and Amy Irving in repose (which is most of the time) tends to resemble a beantiful piece of pottery, poised, glazed and vacant. But there also much scatterbrained charm. And no one stages better than Ms Silver those scenes where Jewish community life takes on a dottiness all its own. The circumcision party (complete with fainting aunts): or the old people's anti-mugger class, where Mace sprays and high-pitched whis-tles jostle for favour with the good old-fashioned kick in the shins,

A kick in the shins would have no effect on "Newcomers:" or as they are known in the racist slang kicked around in Alien Nation, "slags." Slags are extraterrestrials with hulbous

Missa Solemnis

Of all the major choral works used to, and uses that it is arguably Beethoven's foundation to create a Missa Solemnis, brought into Beethoven sound that is strong

the world after a long and diffi- and muscular. If on some

cult period of labour, that one occasions in the past his least wants to see become an performances have given the

in a matter of weeks, two and a not much more, that was not half performances of it, if one however the case here.

In true Germanic style he builds his orchestra from the bass line up, just as Jochum voluminous in size, deeply

heads and niebald scalps who in some unspecified future live in Los Angeles; 300,000 of them having touched down in the desert, a kindly US Immigra-tion has allowed them to stay.

Now look. Drunkenness (the New-comers get sloshed on sour milk.) Maybem. Murder. And if detective James Caan is to find the slag who shot dead his partner during a robbery, he will have to team up with the LAPD's first Newcomer to join the force: one "Sam Francisco" (Mandy

Patinkin). Directed hy Britain's Graham Baker, this cop thriller cum race-rela-tions fable is merry in concept hut mundane in execution. Once past the teasing shock of the make-up - good-ness, is that Terence Stamp under a panoply of putty as chief villain? we are into a routine crime romp complete with buddy-buddy central

dno and chase-me-chase-me finale.

A far better fantasy-spiked thriller is Parents. Randy Quaid and Mary Beth Hurt are a radiantly normal couple. They live a lovely life in 1950s America with their little son (Bryan Madorsky) and their nightly barbecues. So why is Bryan afraid of the dark, why does the barbecue meat look funny and why is school psychiatrist Sandy Dennis - twitching, tou-sled and chain-smoking (would you accept a certificate of sanity from this

woman?) - so concerned for the boy?
Find out. This bissing horror film
puts the "Ssss" back into Suburbia
and is a splendid directing debut for
actor Bob Balahan. In an Eisenhower America of bobbed skirts and Buddy Holly music, something unspeakable stirs: and Balaban's gymnastic camera soars and slithers in its wake.

Late nights only at the Screen Baker

Street. But if you pack the cinema,
they may give the film a proper run.

Elsewhere for your pleasure we have La Lectrice and Dutch Film Week. The first is Michel Deville's adults-only tale of a girl (Miou-Miou) who likes to read to the disabled or disadvantaged. She reads best from a prone position - say for argument's sake a bed and she is often more comfortable after removing the odd article of clothing. With her help, I could have got through War And Peace and the complete works of Proust at an early age. Deville's comedy is crisp, pokerfaced and subversive: as good as his Devil Is An Evelich Course. Death In An English Garden, better

than his Politoquet.

Holland Film Week (Cannon Shafteshury Avenue) lays 15 new Dutch films at our feet and lasts for one week from tomorrow. Included: Amsterdamned, Egg, Iris and other gnomic titles sometimes accompanied by gleaming films. Check out modern European cinema's leading emergent country.

Nigel Andrews

passionate in timbre. The

Wagnerian portamentos as she let feelings overflow at "passus

et sepultus est" may not be

to all tastes, but how she made the words tell. Then again, in the "Agnus dei", it was Meler who fired the music with an emotion that

seemed to sweep both Tate

and Carol Vaness, the marvel-lously secure soprano, along

The other soloists were the

lighter tenor of Hans-Peter Blochwitz and Hans Tscham-

mer, an able bass, while the

somewhat augmented Tallis

Chamber Choir sang with an almost total absence of the

strain that is so often the root of weakness in performances of

this work. The recording

March 31-April 6

Richard Fairman

should go well.

#### Awake and Sing!

PALACE THEATRE, WATFORD

By the standards of hia Hollywood expose The Big Mollywood expose The Big Knije, or the agonised personal duels in Clash By Night and The Country Girl, Clifford Odets' 1935 Awake and Sing! is gentle, slightly unfocused domestic drama. The opening scene anticipates Neil Simon's recent autobiographical strain, Brighton Beach Memories for Brighton Beach Memories for instance.

Here is a Jewish-American family squashed into a small Bronx apartment in the harsb 1930s, dominated by matriarch Bessie. Hushand, Myron, Is Bessie. Hushand, Myron, Is ineffectual (his wife worked to keep the family while be went to law school), her son, Ralph, frets in Uncle Morty's clothing business, her daughter Is pretty, dissatisfied and, wa soon learn, pregnant. And her septuagenarian father is sustained by his twin passions for Karl Marx and Caruso—whom we bear in Bizet and Marx and Caruso — whom we bear in Bizet and Meyerbeer (especially "O Paradiso", something of a symbol of the promised earthly paradise of America) on records that Bessie will in time smash with calculated fury.

Daughter Hennie makes a marriage of convenience to a

marriage of convenience to a busband she despises. The matriarch sabotages her son's romance with an unsuitable girl. The old man falls off the roof. And throughout we welcome the ahrasive interjections of the play's most interesting cbaracter, the war-wounded Moe, hitter, wisecracking and foul-mouthed, but ultimately - and the play is, despite everything, optimistic

The writing works up to a lyrical outburst of rhetorical intensity affecting both Moe, as the prepares to steal Hennie from her stifling marriage, and young Ralph, who a week after the old man's possible suicide, realises his grandfather's bequest of freedom. "I swear to God I'm one week old." It must be admitted that the soaring, sinewy metaphorical style is at its most dated by the time the If the writing lacks a clear



Elaine R. Smith

aim, Martin Johns' set echoes the uncertainties, more trendy Clapham than Depression Bronx. The lack of focus tells not deeply enough portrayed to be either monstrous or noble. The intelligent Miss Mantle steers a course between both without really getting more than skin-deep.

Lou Stein's production gets better performances from the men than is strictly proper in a well-run Jewish household. Michael Grandage, as Ralph, Cyril Shaps, as the grandfa-ther, and, especially, Michael J. Jackson, as the cynical Moe, display vitality and conviction. Mark Coleman is likeably wimpish – just avoiding caricature
– as the unloved busband of
Hennie; whom Elaine R. Smith
(Daphne in TV's Australian
soap opera, Neighbours) makes spirited and touching in her frustrations and divided loyal-

The play is pleasant enough minor Odets, The best was yet to come; this helps fill in the

Martin Hoyle

WIGHORE HALL

John Aler, a current international mainstay of 18th-century French opera and Moz-art, is also a song-recitalist of great polish. His first appear-ance at the Wigmore, on Tues-day, was an occasion of plea-cluding ecstasies of "Gany-curves both greatly and professor made" and Miss Aleric hisday, was an occasion of plea-sures both gentle and profuse. mede", and Mr Aler's high The platform manner is tenor lacks the warmth of tim-relaxed, concealing (but never bre for "Harvest of Sorrow". at any moment forsaking) a fastidious command of musical

manners; Mr Aler's high tenor can manage salon graces or moments of delicate repose every hit as well as the hautecontre flourishes he essays in Rameau operas. He is altogether a cultivated artist, who savours words (his

French is particularly well-formed, but his German, Italian, and Russian are hardly less clear and communicative) and hinds them into smooth, shapely phrases. He doesn't force, or drum up effects for their own sake.

In the opening group of Reynaldo Hahn melodies the unemphatic poise of line belonged, one felt, to a singer of an earlier era: certainly, the company of a classier, less anyone who can float "Tyn-clumsy and heavy-fingered pladaris" with such quiet elegance nist than Michael Cordavana. is a stylist of no ordinary

is crowing about the foresight of its investment in art during the 1970s. The auction brought

in £38.35m, which, even allow-

ing for various commissions to Sotheby's, leaves the pensioners with over £30m as against the £3.4m the Fund paid for the

art a decade or so ago.
After all expenses (and VAT)

the pictures yielded a cash return of 20.1 per cent per annum, showing a real return.

after inflation is taken into

account, of 11.9 per cent. If the Fund had invested its £3.4m in

Equities rather than art at the

same time Its portfolio now

would be worth around £20m, a

return after inflation of 7.5 per

cent a year.
In all the Fund spent £40m on art, and has now disposed

of around a quarter of its 2,700

items by value. The success of the Impressionists has greatly

boosted its return to date, lift-

ing it to 6.9 per cent after infla-tion, which suggests that art

was a better buy than either

gilts or property. All told the

Fund has now brought in £59.7m net from selling off its holdings, and the next impor-

tant auction, of Chinese ceram-

ics, is scheduled for Hong Kong

No wonder then that Mr

Maurice Stonefrost, chief exec-

utive of the Fund, should say

yesterday "we are satisfied

with the results of the sales so

far." The highlights were Renoir's "La Promenade".

in May.

Profit for Pension Fund

SALEROOM

Occasionally, in Schubert

The same criticism could perhaps be made of the three Liszt Michelangelo Sonnets (whose order the singer reversed), but the control of gentle reverie developed its own poetic aura, and the voice rose to its high D flats without strain.

It was also a pleasure to hear five American songs - late-Victorian drawing-room in style and sentiment - so finely judged and delivered, with only the hint of a smile for such as Clayton Johns's "I Love, and the World is Mine". Broad send-up would be easier,

but not half so enjoyable. Mr Aler should be persuaded to give regular London recitals but from now on, please, in

Max Loppert

#### **ARTS GUIDE**

#### **EXHIBITIONS**

The Royal Academy, Italian Art

The Royal Academy, Italian Art in the 20th century: after German and British, the third in the Academy's roughly blennial sequence of major national surveys. Until April 9; sponsors Altalia and Fist.

The Barbican Art Gallery. The Last Romantics. A fascinating study of the romantic, symbolic and decorative strain in British painting, that finks Burne-Jones and the later pre-Raphaelites to Stanley Spencer and the Slade muralists of the 1920s. Daily until April 9. April 9.

April 9.
The Whitechapel Art Gallery
(in collaboration with the Fundacio Joan Miro, Barcelona). Joan
Miro: Paintings and Drawings
1929-41 — a study of the purest
and most abstracted of the Surreand mear answered of the Survey alists through the period of tran-sition from his earlier, directly figurative work. Daily except Mondays until April 23 — sponsored by Citicorp/Citibank. The Hayward Gallery, Leonardo da Vinci: Artist, Scientist, Inventor. The most comprehensive exhibition ever staged of the drawings of Leonardo, Including 88 from the Royal Library at Windsor Daily until April 16. The Hayward Gallery, La France: Images of Women and Ideas of Celebration of France, the Revolution Revisited. The exhibition is an odd and delightful anthology of images of that sometimes seductive, sometimes daunting personification of La France, Marianne, as she has been has been depicted in French art over the two centuries. Daily

until April 16: then on to the

Walker Art Gallery, Liverpool,

uncharacteristic delight here

or, who knows, perhaps a long-awaited opportunity – in supplying musical cartoons of

all the fauna as God creates them: Invidious to mention

particular turns: the flutes,

however, who get the entire aviary, were witty and mellif-

luous in solo, duet and trio.

But the scoring is rich in less obvious inspirations, and Rat-tle set them out with the

utmost clarity and tenderness.
The parts for the three soloists in *The Creation* are crucial,

especially when sung in the language of the audience

Haydn nearly set the original, anonymous English libretto, but settled for a German ver-sion which could then be back-

translated). For the specific and very period-bound tone of

Paris

Grand Palais. The French Revo-lution in Europe. A vast exhibi-tion organised by the Council of Europe tries to situate the French Revolution in the social French Revolution in the social and political context of Europe as a whole. Glosed Tue. Late opening night Wed, Ends June 26 (42895410).

Crand Palais. Paul Gauguin.

Coming after Washington and Chicago, 250 works from all over the world form an important.

retrospective of the legendary penner maudit, influenced at first by the impressionist Pis-sarro and later by Degas and Ceranne. Until April 34, closed

Ceranne. Until April 24, closed
Tue: late closing night Wed (42
96:58-30).
The Louvre. The glass pyramid,
built by LM. Pet, the Sino-American architect, has opened to the
public as a dramatic entrance
to one of the world's most famous museums.

Open Sam-Som, Mon and Wed until 9-Aspm, closed Tue. Musée Jacquemart-André. Rus-atan historical costumes. Lemingrad's Hermitage Museum has lent 200 exhibits from its treasure trove of historical costumes dating from 1700 to 1914. Some 50 portraits complete the exhibi-tion, 158. Bid Heussmann, 12 noon-6.30pm; ends May 31. Mosée des Arts Decoratifs. The Intimate world of Alexander Calder, some 300 works, most of them gifts to family and friends and, as such, exhibited for the first time, show the inventiveness and sense of bumour of the sculptor, Until

study

(42608214)

(42603214)
Musée d'Orsay. Paul-Emile
Miot's photographs from Tahiti
1869-1870 show the melancholy
reality behind Gauguin's dreams
of an exotic paradise. Closed
Mon, ends April 23 (40494814).
Musée du Luxembourg. Treasures of Gallo-Roman Silverware.
The splendour of Roman silversmiths' work is brought to life
by the rich finds on the territory
of Roman Gaul. 19, rue de Vaugirard (42342595). Closed Mon, ends
April 23.

everywhere robust, and eager

in pursuing the simple narra-tive. Philip Langridge caught it

to a nicety, and Arleen Auger's

current manner - sometimes thought a bit unforthcoming in

dramatic music - could hardly be better-found than in this

work: without sophisticated

airs, she sang with delectable elegance. But there was also the bass David Thomas, whose

highly individual style proved uncannily apt in a part which makes him first God, and later

a uxorious Adam. His faultless

diction, and still more his tell-ing declamation, drew extraor-

dinary things from his music,

and one was deeply persuaded by all of them: a marvellous

David Murray

April 23. Musée de Cluny, Medieval art in Paris. The abbots of Chuny built their magnificent late Gothle town house in the heart of the Latin Quarter on the blackened runs of Roman baths. Place Paul-Painlève, Métro Odéon. Closed Tuesdays and

Palais des Beaux-Arts, Art Deco in Europe. Tues-Set, closed Mon. Ends May 28.

Musée Royaux d'Art et d'His-toire. Tibet — Terror and Magic, sculptures and paintings of lama-ist gods on loan from the Musee Guimet, Paris. Closed Monday ends May 14 (733.9610).

Banque Bruxells Lambert.

Women at the Time of the French Revolution - daily, ends may 15. Galerie CGER. The Heri-tage of the French Revolution

Frankfurt

'Je Suis le Cahier', the sketchbooks of Picasso. This exhibition of 40 sketchbooks and around 200 paintings, organised by the New York based Pace Gallery

1794-1814. daily ends June 11.

and sponsored by the American Express company, will have its second stop here in Frankfurt on the European tour. Ends May

everyday experience. To hear,

counts Marriner's revival of

the Mass's partial premiere, would certainly have seemed

It is, therefore, a tribute to Jeffrey Tate and the English Chamber Orchestra that their

performance on Tnesday should have been so compel-

ling. No doubt a forthcoming

recording, to be made over the next few days, helped. But for Tate himself the Missa Solem-

mis would in any case seem to

be a central work.

Schirn Kunsthalle und Kunstverein, Am RömerbergProspect 89. Peter Welermair director of Frankfurt's arts association has again chosen a wide variety of artists with around 80 painters and sculptors from 15 different countries for this year's Prospect 89. Ends May 21.

The Bank für Arbeit und Wirtschaft. A large and varied exhibition of paintings and water colours by George Eisler, one of Austria's best known painters, is on show. Eisler left Vienna during the War, lived in Manchester but was one of the few artists to return Ends April 20. artists to return. Ends April 20. Secession. There is always some exhibition by Austrian artists on show here. But it is also worthwhile to go downstairs and see Klimi's Beethoven Frieze, which has been restored to its

which has been restored to its original place.

A New Art Gallery, run by the state-run Leanderbank, makes its debut with what is expected to be an exciting exhibition on Egon Schiele, one of Vienna's greatest fin-de-siècle artists.

The Kunstorum, a new art gallery run by the state-run Leanderbank, makes its debut with derbank, makes its debut with the Leopold collection, a Vienthe Leopoin collection, a vien-nese who bought several paint-ings by Egon Schiele, one of the leading lights of Vienne's fin-de-siecle, for next to nothing in the

Rome Palazzo Braschi, Views of Rome oy channes usta Firanes; 33 engravings by Firanes; and con-temporaries (including his son, Francesco and his maestro, Giu-seppe Vasi) covering the years 1745 to 1778 at a magical period in the city's history. Until April 25

by Glambattista Piranest: 93

impression of being solid and

The "Quoniam" and "Credo"

were both announced with

affirmatory fervonr and the chorus work generally went

with plenty of energy. Though it may he a kind of interpretation that never

allows any clond of mysticism

to settle over the score, that

did not mean any lack of

emotional engagement, espe-

nying the mezzo Waltraud Meier.

New York

Plerpont Morgan Library. Master drawings borrowed from Hol-land's cliest museum, the Teyler in Haarlem, focuses on work by Michelangelo, Raphael, Golzius, Rembrandt and Guercino among Rembrandt and Guercino among
100 pieces from the 16th and 17th
centuries. Ends April 30.
Museum of Modern Art. In
advance of its arrival at London's
Hayward Gallery in November,
the first retrospective of the
work of Andy Warhol since 1970
surveys all his work from the
1950s covering the Campbell's 1950s, covering the Campbell's Soup cans, silkscreens on canvas of Elvis, Jackie Kennedy, Marilyn Monroe and other movie stars, disaster paintings and numerous self-portraits. Ends

Washington

National Gallery of Art. Cézanne: the Early Years. Aiready seen at London's Royal Academy of Art and the Musée d'Orsay in Paris, the exhibition comprises 65 oils and 35 drawings showing Cézanne's proto-im pressionist techniques from 1859 to 1872 Ends April 30.

Chicago

Art Institute. As part of a national tour, 67 rare ancient Greek sculptures, bronzes, and

painted terracotta trace the development of the human form in art from the tenth to the fifth centuries BC. Ends May 7.

National Museum. Screen Paintings of the Muromachi Period (1334-1573). The Muromachi Period corresponds to the Renais sance in Europe and much of its art was produced under the influence of Zen Buddhism and of Chinese ink painting of the Sung and Yuan dynasties. Closed Mondays.

National Museum of Western Art. Masterpieces from the Vatican. A somewhat random selection of paintings and sculptures.

can. A somewhat random selec-tion of paintings and sculptures, chosen to demonstrate the dsvel opment of western art from ancient Greece to the Renais-sance as well as to present the

Hara Museum, Kitashinagawa. Hara Annual IX. Recent works

rospective featuring more than

ceramics and other art works, depicting the gods and goddesse of classical myth, on loan from the State Museum of Ethnology in Leiden, Holland. Closed Tues-

Tokyo

sance as well as to present the architecture of the Vatican itself. Closed Mondays. National Museum of Modern Art. Odilon Redon. A major ret-

200 paintings, prints and draw-ings by the great French Symbol-ist. Closed Mondays. hy ten young and upcoming Jap anese artists: an opportunity to view trends and developments

in contemporary Japanese art.
Closed Mondays.
Grand Gallery, Odakyu Department Store, Shinjuku. Ancient
Greece and Rome. Sculptures,

After the tremendous success of its sale of 25 Impressionist and modern works of art at Sotheby's on Tuesday evening the British Rail Pension Fund which sold for a record £10.34m to the London dealer Baskett & Day (the Fund paid £682,000 for it in 1976) and the £6.71m for a Monet view of Venice which was acquired for £253,000 a decade ago. In the general auction which followed a Gauguin Tahitian scene was within esti-mate at a record £6.6m.

Jean Fabris, the Frenchman who is trying to stamp out fake Utrillos, had little luck at Soth-ehy's yesterday. The saleroom was disposing of seven works attributed to the artist but M Fabris was escorted out when be attempted to disrupt the proceedings. Unlike at Christie's on Tuesday all the paintings subsequently sold, often for bigber prices than their forecast. A Japanese bidder paid £297,000, as against a top estimate of £180,000, for a view of the Rue St Rustique.

Undoubtedly there are many fake Utrillos around: be was prolific; led a disorganised life; and is easy to copy. But Mr Fabris' belligerent tactics do not seem to have unsettled prospective buyers.

The auction of second division Impressionists did remarkably well, with a total of £9.6m and only 5.7 per cent unsold. There was a record price of £330,000 paid for a work, "Les Baraques," Henri Le Sidaner and £154,000 for a seascape by Henri Moret. A rather boring Monet of cliffs sold for £352,000 and a Marie Laurencin of two girls went to Japan for £341,000.

Antony Thorncroft

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Thursday April 6 1989

#### The lessons of Recruit

IT HAS BEEN quite a week in the life of machine politics worldwide. On Tuesday in Chl-cago, Mr Richard Daley reclaimed his eponymous father's old mayoral fief, mainly because, in the 13 years since his father died in har-ness, the city has been poorly run. Yesterday, in Tokyo, Mr Noboru Takeshita, tbe Japanese Prime Minister and pure product of a political system much like the elder Daley's, apparently stood at bay, con-fronted by new charges that he had taken money not once but twice from the insidious and

company.

It is hard not to feel sympathy for Mr Takeshita. The sys-tem in which he has spent his career has served Japan well in the post-war years. Real policy may well have been made mostly hy the hureaucracy and the business community, but politicians played an important role in keeping the show on the road, reconciling conflicts and generally making sure that the country enjoyed much of the substance and all of the trappings of democracy.
Individual politicians rarely

have seemed to make a big difference. Of recent prime minis-ters, only Yoshida, Tanaka and Nakasone can be said to have been truly distinctive. But sometimes one has been called on for a particularly difficult task. This was Mr Takeshita's charge in getting enacted an important tax reform bill, which he duly accomplished late last year by adept use of precisely those insider's skills learned at the traditional political wheel.

All bis reactions to the Recruit affair bave reflected either bewilderment that the rules of the game have suddenly changed or a conven-tional desire to point the finger of responsibility at others, mostly at Mr Nakasone, still a political rival. This is at least

Heavy casualties

For though Recruit seems to have operated on a scale that dwarfs previous influence peddling and though its cull of casualties is unusually beavy. its methods were no different from those tolerated and condoned by most elements of Jap-

So it is no surprise that Mr Takeshita has expressed neither outrage nor remorse, sim-ply because neither would probably have occurred to him. More likely his experience under Mr Tanaka would per-suade him to ride out the

#### Too insular

It would be wrong to conclude that Recruit shows that there is something inherently rotten in the state of Japan. On the contrary the problem with the Japanese political system is that it has been too insular and impervious to outside

Yet Recruit has consumed Japan in a way that previous scandals, even Lockheed, have not. The obvious explanation must lie in the fact that Japan itself may be changing more than its establishment had recognised. Inequalities, mostly wealth-based, have begun to appear: the new value added tax compounds this by being regressive; important parts of the Japanese media, once integral members of the establishment, now seem disaffected; the independent prosecutor himself has proven to be uncharacteristically independent: finally, the Japanese may be getting bored with their lot and with their complaisant

political leadership.

This suggests that Japan is seeking, perbaps still nnconsciously, a different sort of political leadership able to confront different sorts of challenges of the second seeking and the second seeking and the second seeking and the seeking and the second seeking se lenges, many of them now international. For all its mana-gerial talents, the bureancracy is not creative, while, for all their faults, politicians can be. The Liberal Democratic

Party machine is creaking, as

was Mayor Daley's in Chicago towards the end. The siren song of the left does not attract but the voices of the nationalist right are growing louder. So, in looking beyond Mr Takeshita, as is surely now neces-sary, the LDP, for reasons of self-interest and the national good, should be looking for new approaches. Fresh laws regulating political finance, regulating pointical inflance, even necessary electoral reform, will belp, but not unless reinforced by a younger generation of political leadership. They exist inside the UP's own ranks

# Penal policy for the 1990s

THE BRITISH Government is keen to promote the use of non-custodial sentences. This is partly a reflection of its inability to build prisons fast enough to keen page with the enough to keep pace with the inflow of new prisoners. But it ls also a belated recognition that prison is often not an effective form of punishment. It reduces, rather than enhances, offenders' sense of responsibility and does little to deter future crime. The future of peoal policy, as the Government conceded in a green paper last year, lies in the development of community-based forms of punishment, which require offcoders to face up to the consequence of their up to the consequences of their

But there are several stumbling blocks. The most serious is that magistrates and judges appear to have little confidence in non-custodial sentences for adult offenders. Probation and community service orders are seen as soft options, suitable for non-serious offences. In recent years they have been used mainly as a substitute for fines rather than as an alternative to prison. The lack of reliance on non-custodial sen-tences partly reflects the climate of the times - the emphasis on retributive justice - but it also appears to dem-onstrate a lack of confidence in the probation service, which historically has been the main agency for supervising offenders in the community.

#### New agency

Some proponents of communlty-based punishment favour the creation of a new agency. The probation service was established in 1907, not to punish people, but to "advise, assist and befriend offenders." Its origins lie in the religious and voluntary movements of the 19th century Postation the 19th century. Probation officers are trained social workers; many place considerable emphasis on the sociological factors wblcb tend to accompany crime - broken families, bomelessness, high unemployment, low levels of literacy and numeracy and so forth. It would be unwise, runs the argument, to rely on the probation service to supervise more intensive forms of pun-

ishment in the community. The Audit Commission, which published a detailed analysis of the probation ser-vice yesterday, is not impressed by this line of argu-ment. The probation service, it believes, is better placed than any other organisation to spearhead the creation of constructive alternatives to prison. Indeed the Commission goes out of its way to praise the "striking variation of schemes in operation, and the vision, creativity and imagination going into much probation practice." But if the service is to discharge new responsibili-ties effectively, it will need to refocus its activities, develop new skills and establish more robust management proce-

#### Good practice

One priority is to evaluate the impact of schemes more carefully and then ensure that good practice is disseminated good practice is disseminated throughout the service. At present, there is little hard evidence on what types of supervision are most effective in reducing the risk of re-offending. There are also big variations in expenditure in different creations in expenditure in different creations. ent orobation areas: spending per head varies by a factor of two and spending per indict-able offence (which allows for differences in regional crime rates) by a factor of four. The combination of big variations in expenditure and lack of knowledge about outcomes is reminiscent of the difficulties is facing would-be reformers of the National Health Service.

The probation service's "market share" has risen from

9 per cent of sentences in 1977 to over 16 per cent in 1987. The Audit Commission is right to argue for a further expansion in the probation service's role and one that involves a reduction in the use of custo-dial sentences. But the ease with which the probation service can evolve from its old social work background remains unclear, as does the balance which should be struck between punishment in the community and rehabilita-

The dilemma is that the courts are only likely to have confidence in policies which emphasise retribution, while the historical evidence suggests that punishment for pun-ishment's sake is not a cost-effective policy.

#### Norma Cohen examines local councils' borrowing from banks

hen the London Borough Hammersmith and Fulham announced last month that it would not pay millions of pounds owed to banks under interest rate swap and options contracts, it brought to the fore an issue that has been simmering away in bankers'

The affair has thrown open the whole question of the relationship between local govern-ment and its bankers. And it poses the thorny question of the extent to which central government is obliged to stand behind the debts of local gov-ernment, even if it disavows

eriment, even if it disavows those obligations.

Bankers who have been happily lending money to local authorities for years are growing worried that Whitehall would like them to limit the practice, if not cut it out altographes. That lending they complete they are the complete they are they are the complete they are the complete they are the are they are the are the are they are the are they are they are they are they are they are the are the gethsr. That lending, they con-clude, may have allowed local councils to spend money in ways that are at odds with Mrs Thatcher's view of the appro-

priate role of government.

Indeed, some argue privately that that was precisely what Nicholas Ridley, the Environment Secretary, had in mind when he refused to sanction payments by Hammersmith to its bankers, forcing councillors to choose between honouring their debts and heing surcharged and disqualified. Since then, virtually every other anthority has had to seek the advice of its own lawyers about which swap and options contracts, if any, could be paid. So far, Blackburn, Ogwyr and Harlow public authorities have said they are withholding pay-

ments for similar reasons.

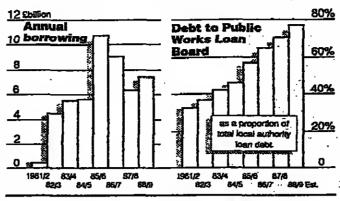
Over the years, banks and local authorities have developed a symbiotic relationship which has proved profitable to both. Not only have authorities provided a low-risk, reliable source of loan demand – paying interest rates somewhat higher than top-rated UK cor-porations – they also periodi-cally deposit funds with banks when they are flush with cash. For their part, banks have

agreed to trade a variety of sophisticated financial instruments with local authorities, helping to reduce the councils interest rate risk - and yield them fee income. It is this last part of the relationship that bankers feel has proved most objectionable to Whitehall.

For its part, the Department of the Environment (DoE) denies it is unhappy with bank lending to local authorities. "If It serves the best interests of rate payers, then it is all well and good," a DoE spokesman said. But clearly, there is a gulf between councillors' views of their rate payers' best interests and the views of the depart-

Beginning in 1982, Whitehall as sought to limit councils' borrowing from banks, initially more because it inflated the M3 measure of the money supply than out of any philosophical objection to bow the funds were used. To discourage bank lending, the Government has been making more funds available, on less restrictive terms, from the Public Works Loan Board, which now provides 77 per cent of all council borrowing (see chart).
The sale of council houses

**Local Authority Borrowing** 



# Friendly dealings turn sour

and other facilities has also brought an influx of funds into many authorities, reducing the amount they need to borrow for capital projects.

"Local anthorities need

banks now less than ever," said Charles Dobson, deputy manager of capital markets at

Sterling Brokers.
Still, for very short-term borrowings (less than one year) local authorities must turn to the public money markets.
These provide the cash flow used to tide them over in used to tide them over in between receipts of rates and

between receipts of rates and central government grants.

And the real catch, as Loan Board officials readily acknowledge, is that its lending, while at very attractive rates, comes with strings attached. For instance, it can only be used for capital expensions. only be used for capital expen-diture, and the Public Works Loan Board has the authority to inquire into the purpose of the loan.

There's the rub. Because what local councils really want - and what they are effec-tively being denied by recent restrictions on spending - are funds for day-to-day expenses, not capital projects. Swaps and options generate fees that can be used for current day spend-ing; and some transactions have been accounted for in ways that allow councils to defer expenditures into later years, thus allowing more money to be spent right away. The central government has

already been successful in halting the use of swaps and options by local authorities. Since the DoE's announcement that it could not sanction any payments to banks made under existing contracts, not a single council has been able to enter into a new agreement.

And while no major bank has yet publicly announced that it intends to stop all forms of lending to local authorities, there is anecdotal evidence that some lines of credit are already being scaled back. For

instance, the Lancashire Borough of Blackburn, one of the four boroughs that has had to withhold payments to banks, was turned down last week by the first three banks wbom its brokers approached for money market borrowings. Ultimately, the anthority was able to obtain the funds, but from another council.

The affair may also be trou-bling non-bank creditors who worry whether the anthority had the legal right to sign their contracts as well.

Hammersmith's auditors are preparing to file next week for a high court hearing on whether the contracts were ultra vires - outside the council's jurisdiction - and conse-quently unenforceable by the banks. There are no rules specifically barring the use of interest rate swaps or options, and indeed, councils are allowed to undertake actions to reduce interest rate risk and manage debt.

But Hammersmith, which at one time had swap and options contracts ontstanding with a notional principal amount of about £5bn, allegedly went well beyond that. Its auditors are expected to point to the coun-cil's total actual debts of about £350m (by February) and argue that Hammersmith had in effect turned itself into a trad-ing firm, and as a result, the swaps and options contracts were illegal.

Sources familiar with filings being prepared by both the auditors and the council say Hammersmith does not intend to contest the argument that the swaps were ultra vires.

Legal opinion on the matter

generally agrees that those unfortunate institutions which entered into ultra vires contracts have no right to expect payment, in the case of swaps and options contracts, this could add up to several hun-dred million pounds spread among 60 to 70 bank creditors. All of this has bankers furious. A group of banks has formed a steering committee under the aegis of the British ioin the action.

cils themselves. Indeed, the Bankers Associa-

tion committee has warned the Bank of England that should its efforts to collect from the

the Bank of England is less regulator.

The Association also argues that aside from a few vague warnings about how certain swap contracts were not appro-priate for councils, neither the Audit Commission nor the DoE-ever told banks of the legal hazards they posed.

swaps chief at one UK clearing bank. The Local Government Act of 1972 says: "A person lending money to a local authority shall not be bound to

cils' debts and that lenders and contractors should be fore-warned. And in light of the widely publicised ratecapping of local councils and surcharg-ing of council officials, it is clear that many banks took the warnings seriously. Saveral, including the major UK clear-

capitalise on their reputation as well managed boroughs by charging other councils a spread when acting as an inter-mediary on their behalf. Three of the four councils that have halted payments on swap and options contracts had been acting as intermediaries for their less creditworthy counterparts.

Bankers Association, and retained the law firm of Clifford Chance. It is expected to ask the judge in the Hammersmith case for permission to ich the action. It will argue that banks had

no way of knowing the con-tracts were illegal; most were placed through money brokers and the bankers had almost no direct contact with the coun-

local authorities fall, its members will probably sue the money brokers – for which the Bank of England is lead

hazards they posed.

And the Government's insistence that it does not vouch for the debts of local authorities simply cannot be taken at face

value, some bankers say. Beyond that, bankers say, is the fact that local authority the fact that local authority law does not require lenders to ask about the propriety of any loan — even if the funds are to be used for clearly questionable activities. "They could be borrowing money to buy a string of brothels in Nevada and it wouldn't matter," said a greene chief at one IVE clearing authority shall not be bound to inquire whether the borrowing of the funds is legal or regular or whether the money raised was properly applied . . . But Whitehall has issued repeated warnings that it will not stand behind local councils debts and that lenders and

ers, had long ago adopted a policy of not conducting busi-ness with ratecapped councils. Indeed, local councils such as Hammersmith learned to

Bankera say that their long-term goal is to force the high court and Parliament to codify the legal status of lending to local government, clear-ing up the ambiguitles that exist in current law and in practice. The British Bankers Association has sought the aid of the Bank of England in lobbying Whitehall for changes in the local authority finance bill now pending before Parliament that will clarify which loans are legal and which are not. For without that clarify, how

can any lender go on doing business with local govern-

for the murder of the presi-

#### BOOK REVIEW

# Gloriana Imperatrix

Bessays about Mrs Margaret Thatcher are becoming two a penny (or, in this case, one for £16.95) but while the sallent facts are common to most of them, they are not all the same Gram them are ager youing woman to while the sallent facts are common to most of them, they are not all the same. Group them in little piles. One one side there is your basic hagiography, of which wa will receive more, no doubt, as the tenth anniversary of Britain's first woman Prime Minister is celebrated on May 4. On the other is your outpouring of vitriol, venom and spite, of which, I am sure, there will be further examples at around the same date. Mr Young's book is closer am sure, there will be further examples at around the same date. Mr Young's book is closer to the latter than to heroine worship, but, in truth, it fits into neither existing pile. It is, simply, different.

This is not to say that it lacks a point of view. Mr Young's professionalism obliges him to analyse each event with objective care.

event with objective care, does not accept Downing Street hype. He is particularly strong on the Prime Minister's failings. This can upset the balance of the argument. For in some passages Mr Young comes across as an author who, writing of a laboratory rat, holds it by the tail, wrinkles his nose, and describes with evident distaste the physiognomy of what he beholds. The effect is curions: you might agree with more than half of what he says, yet find that his tons can induce sympathy for Mrs Thatcher where the intended effect might have been the opposite. Do not misbeen the opposite. Do not mis-

we say, a tonch fastidious.

Mr Young's Thatcher is a
hardworking, intelligent, aniddle-English woman. She is possessed of a strong sense of
moral rectitude, which on its own would no doubt have curtailed her career at an early stage. It is therefore her good fortune to be imbued with a second, parallel, characteristic a streak of pragmatism without which the necessary compromises and stratagems of politics would be impossible. Rectitude became stubbornness on many important occa-sions. This served her well, but so did the politician's canny sense of how to get out of a tight spot. The moral sense, the feeling that she can discern what is right and stick to it, was learned at ber father's knee. The combativeness, the

need to win every argument, may have come later.
Two of the most fascinating pages in Mr Young'e account of her progress to her present state of dominance are entirely composed of photographs.
Start at the bottom right, just above the caption "Gloriana Imperatrix", and you will find the dignified elder stateswoman of today; move the eye

fate made many other contriwhile his evident disapproval butions. The incompetence of Thatcherism shines through. He acknowledges his subject's successes, but, naturally, ha does not accept Downing Street Labour Party. Mrs Thatcher's Labour Party. Mrs Thatcher's coach mass sharply as a result stock rose sharply as a result of victory in the Falklands (Mr. Young is rightly merciless about the Whitehall errors that made that war inevitable); when it fell, to a nadir, at the time of the Westland scandal, she had the good fortune to be let off the hook by the Labour leader, Mr. Neil Kinnock. She has always been willing

to pay the price of her policies, however harsh. Mr Young writes that "she would watch British hostages rot in the undiscovered cells of the Heabollah with as much indiffer been the opposite. Do not mis-take my meaning: this book is ence as she permitted Sands well written, an easy read. It is and his fanatic friends to die in just that it is sometimes, shall Long Kesh." He cannot know we say, a touch fastidious. matters, but the refusals to compromise with hostage-tak-ers or hunger-strikers are well established. Can it be said that

she is wrong in either case?
The value of Mr Young's account lies in its essential iconoclasm. Mrs Thatcher is a politician, not a superbeing. politician, not a superbeing.
She is human, not a goddess.
The author's character portrait
is particularly clear about this.
Its account of the importance
of both ber father and ber husband reads well. The value she
places in people — if she
respects and likes them — is
convincingly described. This is convincingly described. This is what I wanted to read about; after all she is the Prime Minis ter of a middle-rate power, not Dame Edna Everage

You may not agree with all of Mr Young's judgements. You may wish that this or that had been differently expressed. You may regret the political, as opposed to the economic, emphasis of his book. Yet his effort to examine the record of a normally fallible individual in a professional manner is a necessary antidote to blind sycophancy.

Joe Rogaly

#### Russian with charm

The last time I saw Valentin Falin he was the Soviet Ambassador in Bonn in the early 1970s. Even then he was breaking new ground. A tall, handsome, charming figure, he seemed to take it upon himself to go round persuading members of the Bundestag to vote for Chancellor Brandt's eastern treaties. The open way in which he did it was unprecedented for a Soviet Ambassa-

dor at the time. Falin is now in London along with President Gorbachev. He is also a kind of shadow foreign minister. He heads the central party department for international relations and, as such, looks after the broad strategy of Soviet foreign pol-

icy.

Falin said yesterday that he decided he wanted to stop working primarily for the foreign ministry, and switch to directing party policy, around 1973. But it took some time for the message to get through. He was Ambassador in Bonn for seven years, four months and three days, outlasting four French and three British coun-

terparts. He says that he had his doubts about Andrei Gromyko, the former long-serving Soviet Foreign Minister from about 1953. Gromyko could be a difficult man, not used to being contradicted in argument. He was also pro-American: not. Falin adds, in the ideological sense, bot in thinking that diplomacy was best conducted through the great powers.

Falin first met Gorbachev, then a little known figure, in Boun in 1975 at a visit arranged by the German Communist Party. He says that he noticed then that be had an unusually open mind and wondered what would become

of him.
In the Falin view, Gorbachev
came to power 10 years too late. The rot set in the mid-seventies when President Brezhnev was too ill to cope, and his successors were too old

#### and incapacitated. Also the end of the Nixon-Kissinger period in the US was a blow to Soviet foreign policy. Moscow could not adapt to the

**OBSERVER** 

new priorities set by President Carter, nor the early Reagan. Now Moscow is looking to western Europe as a whole - not just Britain - as well as the US for responses to Gor-bachev's policies. The key question no longer seems to be arms control. There are also the environment and the economy. According to Falin, Gorb-achev would dearly love an assurance from Britain and the US that a Soviet application to join the IMF would not be rejected. Falin prefers to speak Ger-

man. In fact, his English is good. He knew Margaret Thatcher before she was Prime Minister and describes her as a "very beautiful lady". He has kept his charm.

Badly packed

of the Abbey National voting forms have gone astray, I know from experience, is that the papers have not been put prop-erly into the envelopes. There is a printed address inside the envelope which does not show through in full. The result is that the postmen have sometimes put several through one letter box. Only when you open them do you discover they are for someone else.

#### Nostalgia

■ Everyone will have their own memories of London on April 5 1989. After one of the mildest winters on record, there was rain, sleet and snow, an underground strike to boot, too many tourists getting in the way and too many police preparing for the Gorbachev



"My horoscope warned me my cordless 'phone would get damp today."

visit. At home for some reason there was no hot water and my daughter, preparing to cross the Channel for the first time by herself, had to go Portsmouth-Le Havre because of industrial action on the Newhaven-Dieppe route. As it happened, it was the French, not the British, seamen playing up. Otherwise it was just like the old days.

New style Arab ■ Iraqis have been puzzling in recent weeks over their president's new clothes. Used

to seeing Saddam Hussein in military uniform. Arab robes or civilian suits, they hava lately been treated to pictures of him sporting a jaunty Tyrolean hat and breeches. The explanation may lie in the recent patching up of a bizarre feud within Saddam's family. Last October, Saddam's eldest son Uday, by all accounts a somewhat overbear ing young man, was arrested



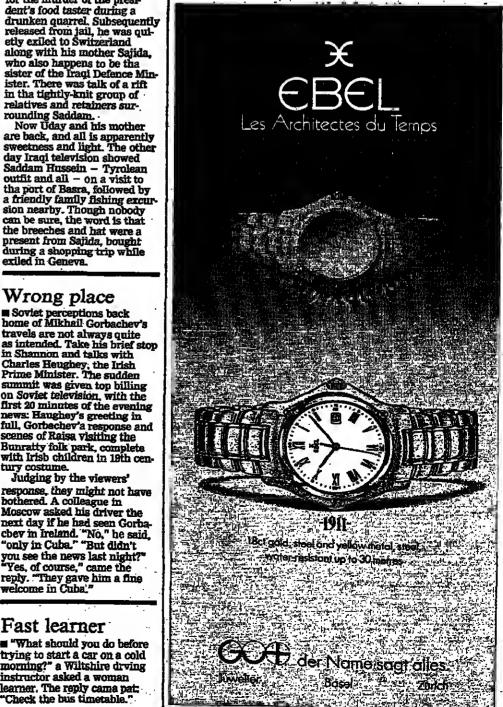
Soviet perceptions back home of Mikhail Gorbachev's travels are not always quite as intended. Take his brief stop in Shannon and talks with in Shannon and takes with Charles Heughey, the Irish Prime Minister. The sudden summit was given top billing on Soviet television, with the first 20 minutes of the evening news: Haughey's greeting in full, Gorbachev's response and scenes of Raisa visiting the Bunratty folk park, complete with Irisb children in 19th cen tury costume.
Judging by the viewers'

Wrong place

response, they might not have bothered. A colleague in Moscow asked his driver the next day if he had seen Gorba-chev in Ireland. "No," he said, "only in Cuba." "But didn't you see the news last night?" "Yes, of course," came the reply. "They gave him a fine welcome in Cuba."

#### Fast learner

"What should you do before trying to start a car on a cold morning?" a Wiltshire drving instructor asked a woman learner. The reply cama pat: "Check the bus timetable."



#### James Buchan in Valdez looks at the implications of the Exxon oil disaster for Alaska's economy

# An ugly, profitable dependency

n Valdez, e small town in in Cordova down the coast Alaska where unshaven men in plaid coats and beseball cape drive through the slush in pick-ups, business goes on till late at night, From phone boxes under the dripping eaves of super-markets, bits of conversation drift out into the street: "Every radio we have and 50

. . . a more creative contin-

"Took the whole damn thing at \$2.40 a square foot ..."

Valdez, a two-storey town under perpendicular mountain peaks, had been through boom and bust before. First there was fur, then gold, then war, then the oil pipeline, then public spending financed hy oil. Now there is the clean-up. "I wouldn't be surprised if they left a billion dollars round here before it'e all done," said one before it'e all done," said one

"They" is Exxon, the largest and richest oil company in the US. In the past week, Exxon has been pouring money into south-eastern Alaska almost as fast as the stricken Exxon Valdez split crude oil into Prince William Sound on Good Friday. Stung by charges of inaction, Exxon is spending hundreds of thousands of dollars each day to keep the oil slick from pol-Inting shore and ealmonepawning areas and to rescue a pathetic few hirds and sea-

Exxon's other big problem is the Prince William Sound fishing fleet, which is mostly based

ALASKA

Same and the second second

from Valdez. The fishermen face a thin year, possibly several thin years, because of pollution from the spill. The Alaskan state anthorities have banned the boats from going out for shrimp, black ced and herring. And a question hangs over the valuable salmon fishery in the summer. For the moment, Exxon is

paying skippers as much as \$2,000 (£1,170) a day for the use of their boats to lay contain-ment booms in the path of the spill. But the company has pledged to compensate the fish-ermen for lost earnings, and it is being asked for a lot. The fiehermen say that 1989 was going to be a bumper year, a \$150m to \$250m year, and they have all sorts of stories to back

four class-action suits have been filed and these are sure to involve Exxon in years of litigation. The more enterprising lawyers talk wistfully of holding Exxon to punitive as well

pipeline,

Valdez

Tanker terminal

**Accident site** 

it up: a herring-roe licence sell-ing for record prices the day before the spill, red salmon heading for \$5 a wholesale pound. They also have lawyers. Even before the clean-up began in earnest, lawyers from Washington, New York, Philadelphia and the West Coast had eigned up pretty well every economic interest in Val-dez, Cordova and the native village of Tatitlek. At least

as actual damage for the spill.
"For attorneys, it'e the Oklahoma Land Rush," says Mr
William Bixby, the city'e only Valdez oil spill **Alaskar** 

resident practising attorney who is consolidating a set of actions against the company. By yesterday, Erron was showing every sign of being in for the long haul. The com-pany, which now has 93 people in Valdez under Mr Frank larossi, president of Exxon Shipping, is renting space all over town on three-month leases. Mr larossi insists that the company will stay until "the job is done."

"the job is done."

The company has vast resources of cash and experience. It is as well equipped as any to handle the legal shenanigans and the cost of cleaning up the worst of the oil. But the damage to Exxon's reputation, and the tarring of EP. Atlantic and the tarring of BP, Aflantic Richfield and the other major ofl companies in Alaska, may prove harder to contain.

Alaska, which has been dominated by the oil industry for more than 20 years, has turned

against its masters. Mr Steve Cowper, the Democrat state governor and a typically rough-hewn Alaska politician, has threatened to close the oil pipeline to Valdez unless environmental condi-tions and safety are improved. Even the Alaskans who are in favour of oil development, and they are probably a majority, seem outraged that the industry was so unprepared for the

Mr Roger Herrera, who has prospected Alaska for more than a dozen years for Stan-dard Oil and BP, says he is stunned. "The emotion this has brought out is surprising," he said. "People have taken this almost as a personal affront. Alaskans are a hard bitten lot, but it's as if they felt they'd

Alaska is not like the rest of drilling in the Arctic national wildlife refuge - the Anwar, the US. A vast region, a fifth as large as the lower 48 states combined and with a longer coastline, it is a place where Amarican pioneer ideals are still plausible. All over Alaska are people who have drifted north and west with the army or a welding outfit or the tele-phone company till they reached the state and could go no further. At Kaktovik, a tiny native settlement in the Arctic where the ice pack gleams ver-tiginously in the Beaufort Sea,

the leading village spokesman comes from California.

But Alaskans are few - a hit

more than 500,000 in number - and are divided over the development issue. The native Alaskans seem torn between a vanishing subsistence life and a white man's existence they do not admire or much understand. Alcoholism is a problem, for whites and natives. Thirty
years after becoming the 49th
US state, Alaska is a political
weaking. Much power lies outside the state with the environmental lobby, the federal government or the oil companies. Ever since the turn of this century, the US environmental movement has seen in Alaska an unspoiled image of what all America ehould be. It must never go the way of the Appa-lachians, the Rockies or the Sierra Nevada. Though the environmentalists in the rest of the US could not stop oil on the Arctic North Slope or the building of an 800-mile pipeline from Prudhoe Bay to Valdez, they have ensured that millions of acres of Alaska wilder-ness are protected in some way. And they have so far pre-vented the oil industry from persuading Congress to allow

an eerie and beautiful expanse of tundra east of Prudhoe Bay. Washington itself has used Alaska to expunge an unhappy history of its own dealings with American natives. To get ths pipeline laid through a thicket of native land claims, the federal government in 1971 handed over - or back, as

some people say - some 62,500 square miles of Alaska to corporations formed by Eskimo, Aleut or Indian villages and regions. For all Alaska's great size, as the pro-development party keeps repeating, about half of it is closed off temporarnail of it is closed of temporar-ity or permanently from the all American world of industrial development and abopping malls. "There really isn't much land in Alaska for develop-ment," says Mr Jason Roth, controller at the First National Bank of Anchorage. There is oil. Twenty years

after oil was first found on the North Slope, the state depends on it as much as ever. Despite booming timber and tourism industries, Alaska has been in recsssion ever sinca the oil price fell steeply in 1986. In Anchorage, where oil industry headquarters rise amid trailers and vacant lots, a real estate foreclosures last year, a record. In Valdez, houses were selling before the spill for below the

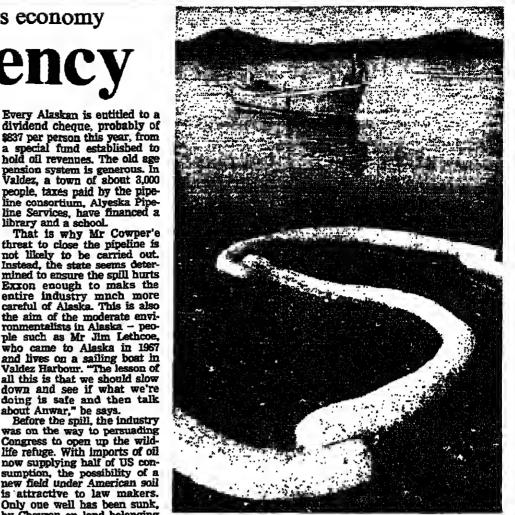
cost of construction.

The atats government in Junean, which depends on Prudhoe Bay and the pipeline for nearly nine tenths of its 1.70n budget, has tried to diversify tha economy. But it has mostly used the oil money to create a welfare system that belies Alaska'e eelf-reliant image.

dividend cheque, probably of \$837 per person this year, from a special fund established to hold oil revenues. The old age pension system is generous. In Valdez, a town of about 3,000 people, taxes paid by the pipe-line consortium, Alyeska Pipeline Services, have financed a library and a school.

That is why Mr Cowper's threat to close the pipeline is not likely to be carried out. Instead, the state seems determined to ensure the spill burts Exxon enough to make the entire industry much more careful of Alaska. This is also the aim of the moderate envi-ronmentalists in Alaska - people such as Mr Jim Lethcoe, who came to Alaska in 1967 and lives on a sailing boat in Valdez Harbour. "The lesson of all this is that we should slow down and see if what we're doing is safe and then talk about Anwar," be says.

Congress to open up the wild-life refuge. With imports of oil now supplying half of US con-sumption, the possibility of a new field under American soil attractive to law makers. Only one well has been sunk, by Chevron on land belonging to Kaktovik, and the company is not saying what it has found. But Prudhoe Bay production has reached its peak and the companies say they must begin drilling the Anwar if any oil is to be produced by the end of the 1990s. They say they have shown they can operate cleanly and safely in the Arctic at Prudhoe Bay, where the air is sweet by oil-natch standards and caribon. patch standards and caribon migrate through the founda-



Prince William Sound: containment booms for the oil

tions of oil-treatment units. But it will be hard to argue for Anwar development after the disaster in Prince William Sound. The environmentalist lobby in Washington has been handed a powerful weapon for the Arctic. Mr Roth, for one, is

anxious. "What the Exxon Val-dez could do," he saye, "is delay, wipe out or postpone development for the future. The Alaska economy is not diversified enough that we can do without oil. I am worried about Alaska five years away and 15 years away.

#### Meanwhile, 11 years on, another oil spill's effects linger in France...

we menths ago, a Chicago judge ordered the US oil com-pany Amoca to pay France \$115m (£67.7m) for the damage caused by its wrecked supertanker Amoco Cadiz, 11 years after it ran aground off the Brittany coast. Judge Frank McGarr took account

only of proven damages and the cost of clean-up operations, refusing what he described as "grossly exaggerated" claims for projects aimed at restoring the coastal environment.

With 220,000 tonnes of oil spreading out to pollute 400 km of coastline, destroying valuable oyster beds and ruining tourist receipts, Brittany

resents the charge of exaggeration. Few signs remain of the spill on Brit-tany's beaches, but in estnaries and sheltered coves the effects of the

disaster can still be felt today. When the supertanker ran aground in 1978, just off the Breton fishing village of Portsall, the armoury for fighting an oil slick was limited. French naval authorities considered hurning the oil, but decided it would take two to three months, and the fumes would probably cause damage to nearby agricultural lands.

Gale-force winds and the lack of

stricken tanker. Navy helicopters only succeeded in bombing the Amoco Cadiz, to release the last of the oil, two weeks after the wreck. Mr Richard Congar, of the Univer-sity of Western Brittany, notes that clean-up operations are not very cost-effective in terms of oil recov-ered. He estimates that around 70,000 tonnes of the 220,000 tonne Amoco

Cadiz cargo reached the shore, and that only some 10,000 tonnes of this were raked up in the 250,000 tonnes of waste collected during the clean-up

pated in the water or in the atmo-sphere without us knowing the consequences, doubtless more long-term. These observations plead in favour of immediate action on the vessel," Mr

Besides a clean-up operation cost-ing an estimated FFr 450m - still in 1978 terms - on land, and FFr 65m at sea, an estimated FFr 140m of

marine life was destroyed.

The damage was suffered mainly by Brittany's famous oyster growers, who were still recovering from two successive virus attacks that deciexpensive "plate" oyster. The growers, who received FFr 35m of compensation in Judge McGarr's ruling, were still suffering the effects of the pollution at least into 1982. However, estimates are highly con-

jectural. Mr Congar suggests that on replacement rather than economic cost, at least FFr 800m of marine life

Nevertheless, the Amoco Cadiz spill did give France some valuable lessons in how to react to future disasters - prompting the setting up of new research institutes and new pol-lution control procedures that have

#### Decisions in the air

From Mr G.W. Thompson.
Sir, I am disappointed that Richard Botwood, director gen-eral of the Air Transport Users Committee (Letters, April 3), has once again ignored the regional dimension of airports

The Secretary of State's brief to the Civil Airports Authority was explicit he expected it to consider the full extent of the contribution of regional airports before determining hiture policy for the south-east

Unfortunately the analysis in the CAA consultation docu-ment is so flawed as to invali-

date any substantive conclusions, and the full contribution

From Mr Alexander Sandison. Sir, One of the important inancial implications of the Abbey National's possible conversion to public limited company status has received company status has received company status has received company status has received to It is paratively little attention. It is not even mentioned in the board's 'transfer document," which is supposed to give members all the material information.

I refer to the certainty that, if the Abbey converts, large numbers of members will (as some writers have said) accept some writers have said accept their free shares and transfer the bulk of their savings to a real building society. It is a factor which ought to be quantified, and I have been

trying to do so.

There are two unknowns:
how many members will withdraw, and how much will each

In the newsletter of our organisation, circulated during the week after Easter, we asked members to answer

#### Markets in titillation compared

From Mr Alastair Macphail. Sir, I do not take issue with Alan Friedman's assessment of Italian television (March 22); anyone who has been exposed to its wall-to-wall game shows and interminable variety programmes could but agree.
But I do challenge his

assumption that there is more "titillation telly" in Italy because Italian audiences are more voyeuristic, and with the shallow way he ascribes this to the sin-and-confess attitude" press can hardly be called of Italian Catholicism. reading) is going to turn up its

ment in the 1985 airports policy white paper. After all, why should Amsterdam be the only beneficiary of the UK's failure to evolve a total national sirof a regional hub development policy is yet to be tested. But, as Jeremy Marshall of BAA says (Letters, April 3). it is only a consultation docu-ment; the Secretary of State port strategy, meeting all user needs? Millions of regional travellers are presently forced to use the London system, con-

tributing to congestion there.

An alternative hub strategy with its errors substantially corrected, I hope. Not many people in the industry concur with the CAA's views. The scenario which must be tested before the need for addiwould reduce both the journey time and cost implication for these travellers, and give the UK the ability to maintain its tional runway capacity in the south east (airspace permit-ting) is put forward, is the proper development of an alter-native hub at Manchester. This

will need to form his own judg-ment on the final advice he receives from the CAA in July

position in the interline trade at the world's crossroads. G.W. Thompson, Chief Executive, Manchester Airport, was proposed by the Govern-

#### Abbey National members may withdraw funds

(anonymously) the second question. So far 53 members have responded, showing an average of £28,000 each (with 95 per cent "confidence limits" of plus or minus £9,000). The question of how many will withdraw is more difficult.

Of the 2,350 households which have contacted us, 116 (5 per cent) have volunteered the information that they will withdraw their savings if the Abbey National becomes a plc. For many — probably most — of the others, there was no reason why their letter or telephone message chould have mentioned withdrawal. So the 5 per cent is a very substantial under-estimate. On the other hand, those who have made the considerable information that they will

have made the considerable effort required to discover our address will be heavily biased towards opposition to conversion, and, therefore, towards withdrawal.

To arrive at a conservative figure for sums to be with-

In the midst of the "Pamella" affair, and the orgy of mick-raking that the British press appears to be indulging in, a more blatant example of British hypocrisy would be hard to find. Three million Sun newspaper readers indicate that the market for titillation in Britain is enormous. Is Alan Friedman telling us that a nation of peo-ple for whom naked breasts are acceptable breakfast-table viewing (the British tabloid drawn, it may not be unreasonable to ignore the under-esti-mation within our own sample, and assume that it over-esti-mates those who will withdraw by a factor of between 10 and

That means that, from the 4.3m voting members, 0.5 per cent to 0.05 per cent (say 1 per cent) will withdraw; that is, 43,000. And many of the non-voting

members are so incensed at their treatment by the Ahbey National board that they, too, will withdraw. At £25,000 each, that suggests a figure for withdrawals of £10n — easily, considerably more

siderably more.

This loss of funds must be set against the net proceeds of £15m from flotation — a figure which is heavily disguised in, but which can be deduced from, the transfer document. Alexander Sandison, Vice Chairman, Abbey Members

93 Ridomount Gardens, WC1

ness at the kind of shows we get on Italian television? It is true that the Italians are probably less inhibited - and more tasteful—in their public consumption of nakedness, whether on television, in advertisements or in the press. They also have a more mature and less prurient attitude to

Alastair Macphail, Via Stazione, 6987 Casiano,

sex in general.

# From The General Secretary.

the TUC

Toyota and

Trades Union Congress.
Sir, On April 4 your Labour Editor reported that the Trades Union Congress (TUC) intends to propose that Toyota recognise a number of TUC unions, but through single bargaining

machinery.
In fact, it is important that I make clear that we have not yet considered approaches which might be adopted indi-vidually or collectively by the four TUC unions interested in organising at Toyota.
Our current concern is to

establish through the Department of Trade and Industry, and the Advisory, Conciliation and Arbitration Service, ade-quete opportunities for the four unions to meet the company and to discuss its inten-tions regarding the possible location of a major plant in the UK - a step we warmly wel-come - and the possible indus-trial relations arrangements. Norman Willis,

Great Russell Street, WC1

#### Trade policy and UK deficit

From Mr Robert Ashnorth. Sir, It is naïve and untrue to state (Letters, March 23) that there is no European industrial policy which denies free trade with any country that has in reality an open market."
"In reality" are Mr Pater
Sachs' words; the Italics are mine. To continue by ascribing the current US and British trade deficits to unilaterally open markets is a distortion of

equal magnitude. The root cause of the UK trade deficit is three years of blatantly consumerist fiscal policy in an economy which historically lacks sufficient manufacturing capacity to meet demand.

If it is possible to devise a formula alleging that domestic interests are being damaged by dumping, and thereby to penal ise the foreign manufactures while subsidising the same manufacturer to relocate within the EC, then industrial policy is no myth. Robert Ashworth.

Hong Kong Government Industrial Promotion Office, 6 Grafton Street, W1

operation - et a cost of around FFr 80,000 (in 1978 francs) per tonne any seabed survey since 1927 made it difficult to try to pump oil off the since proved their worth. of oil recovered. mated stocks of the tastier, more CENTRAL MANCHESTER DEVELOPMENT CORPORATION Sorry you did not get \*

Sorry fruct letter \*

my hovewith a copy\* F C Hawkins Esq The Hive Honeypot Lane Wessex BB1 BB2 Beesneea 4 April 1989 Dear Fred It was good to see you in such fine form last week. I enjoyed the dinner greatly, and your incident with the lamp post was a most amusing end to the evening. I am sure that the young policeman will not want to take matters further. A STATE on the subject of apreading the light, our advertising people (they look younger each year) are trying to convince us to advertise the Corporation. I must say I was pretty sceptical to start with. How do you explain all the merita of Central Manchester in an ad? As I told you, we have about 500 acres right in the centre of As I told you, we have about 500 acres right in the centre of Manchester to redevelop. That's an enormous area with very exciting opportunities for a variety of interests. My Board and I are determined to achieve outstanding design for the Area, to make Central Mancheater even more attractive. There'll be the right balance of homes and offices, with ahops, reataurants and pubs. We also want to see lots of grass and flowers and trees. We're right in the heart of the motorway and rail network, London's only 50 minutes away by shuttle - and did you know that from Mauchester Airport you can get to 160 international destinations in 35 countries? please apread the word. I suppose I'll have to listen to the ad people, but watch out for a special invitation to manchester. We're going to put on something a little manchester. We're going to put on I'll see you then different. Of course you'll be invited. I'll see you then. Jimmy \*and bring your clubs As this letter isn't eddressed to you, the reader, you might like to find out more about what the Central

revitalise the heart of Manchester. Fill in this coupor and send it to:  Pamela Bishop,  Marketing Manager,  Ceotral Manchester Development Corporation,  Churchgate House, 56 Oxford Street,  Manchester M1 6EU	
Churchgate House, 56 Oxford Street, Manchester M1 6EU	Postcode Tel.No

IN DISTRIBUTION

Thursday April 6 1989

#### Gorbachev seeks UK support for arms cuts

By Quentin Peel and Robert Mauthner in London

MR Mikhail Gorhachev, the Soviet leader, arrived in London yesterday seeking the support of Mrs Margaret Thatcher, the British Prime Minister, to accelerate the negotiations on conventional arms cuts in Europe and the banning of chemical weapons.

Mr Gorbachev, who is in Britain for a three-day official visit, is also expected to expect the convention of the convention

ted to come up with proposals on closer co-operation between West and East Europe, possibly through some kind of institutional link in line with his concept of "a common European house."
It is thought likely that Mr Gorbachev will unveil his proposals in his major speech in the historic Guildhall, in the City of London tomorrow, on the

stressed Mr Gorbachev was not going to present significant new initiatives in addition to the unilateral arms and troop reductions he amounced at the United Nations in New York last December, unless Mrs Thatcher herself

December, unless Mrs Thatcher herself was "prepared to do business."

"Negotiations are a matter of give and take," a senior Soviet official sald yesterday. "We would like to see more flexibility from the other side."

British officials, on the other hand, emphasised that they considered it was the West which had put forward detailed proposals at the Vienna-based conventional arms talks, but that the Warsaw Pact's plan was still conched Warsaw Pact's plan was still couched in very general terms.

In particular, Mrs Thatcher is expec-ted to make it clear to her Soviet guest

that Britain cannot accept Moscow'a ldeas on the dennclearisation of Europe, or even the creation of made ar-free corridors in Central Europe. The most acute difference between the two leaders is the issue of the modernisation of Nato's short-range nuclear weapons, which the Prime Min-ister considers to be an essential part

Another important gesture the Soviets are looking for is British support for their hopes of joining the major international economic organisations, including notably the General Agreement on Tariffs and Trade (Gatt) and the International Monetary Fund

The Soviet desire to join such West-ern-dominated liberal institutions was

welcomed on the British side last night, though with some scepticism.

Another Soviet idea about which British officials expressed reservations was the possibility of some kind of institutional link between the two halves of Europe. Britain considers bilateral co-operation a more fruitfui

formula.
Soviet officials indicated yesterday Mr Gorbachev may also come forward with proposals for practical co-opera-tion on environmental protection, fighting terrorism and combating

In the second major human rights-concession on the eve of the visit, Moscow announced that nine Soviet prisoners had been released. Showpiece visit, Page 8

#### Castro endures a subtle rebuke over trade

Tim Coone reports on a coded Gorbachev message that Cuba must alter its outlook

HE encounter of the communist Titans is over. The meeting of Mikhail Gorbachev and Fidel Castro, the Soviet and Cuban presidents, ussed with oo spectacular pronouncements such as a write-off of Cuba's \$10bn debt but ocitber did it present a rupture between the leaders' divergent paths to socialism.

No behemoths were slain. Nonetheless, it was a signifi-cant summit. Presideot Castro, for all the histrionics about his independent road to socialism, bas been told emphatically that the world is made up of interdependent nations; and that this applies equally within the socialist bloc.

Using the opportunity to address Cuba's 500-member National Assembly in a speech televised live to the country's 10m inhabitants, Mr Gorbachev Stoke at length on the grade spoke at length on the goals and reasoning behind his polit-ical and ecocomic reforms in the Soviet Union. "Most important is radical

economic change," he said and expanded on the need to develop and release human potential within the socialist Those that march with the

times and make the necessary accommodstion to the introduction of high technologies into the world will meet with success," be said pointedly.



Mikhail Gorbachev and Fidel Castro embrace after signing the friendship and co-operation treaty in Havana on Tuesday

He also emphasised the need for "more efficient, more dynamic" economic relations with Cuba, a coded admonishment for Cuban failures to meet its trade commitments with the Soviet Union

President Castro, in contrast, in a defensive and ranting introductory speech (which was almost as long as his guest's) said: "We have not experienced the kind of problems associated with [Stalin]."
He added: "There are some who consider me a type of Stalin, but I would say that all my victims are in perfect bealth."

no cancellation of the Cuban debt is significant in itself.

Cuba is not to be released from its obligations to its com-munist allies and the economic

and political changes taking place within the Soviet Union and Comecon, the Communist trading bloc, will force changes in Caha

This was spelt out last week by Mr Alexandro Kachanov, the Soviet deputy trade minis-ter, who explained that the liberalisation of his country's trade will give Soviet managers freedom to make contracts with foreign companies. Cuban suppliers and buyers will have to compete freely

alongside others. The message was clear enough: price, delivery schedules and quality are going to be important as never before in Soviet-Cuban trade relations. He also said that negotiations are taking place over the future sugar contracts between Cuba and the Soviet Union The support price paid by the Soviet Union is currently four to five times the world market price.

Another Soviet government spokesman, Mr Gennadi Gera-simov, said in Havana this week that "It is a mutual aim to move to a gradual balance in our economic ties". The signing of a 25-year Friendship and Co-operation

Treaty during the summit was the counterbalance, however, to whatever sobtle pressures are being applied to the Cubans, and underlined the overall common goals.

The treaty commits the two countries to co-ordinate eco-nomic and foreign policies in broad terms but Mr Gorbachev in his speech indicated that Latin America will be a special focus of common interest in the future.

First of all, he emphasised that "we are resolutely opposed to any theories and doctrines that justify the export of revolution or counter-revolution" and that the Soviet Union has no military ambitions on the continent. He went on to propose closer economic ties with Latin America both by the Soviet Union and Cuba.

The underlying message of the summit is that "perestroika" is an irreversible force of change within the communist countries.

Like it or not, President Castro is going to have to adapt his country or suffer stagna-tion and isolation.

He can count on the continuing support of the Soviet Union, on both political and economic fronts, but in return Cuba has to become less of an economic burden on its com-

There is economic potential for Cuba in Latin America which, with Soviet support it can realise, but this requires that President Castro will have to be prepared to listen to his friends as well as to lecture.

# **US-style**

By William Dawkins

THE European Commission

ronmentalists.

The weekly meeting of the 17 Commissioners called for existing voluntary EC controls on exhaust emissions for all cars

Brussels proposes to continue with its present uncompleted proposal to cut emissions from small cars. This awaits endorsement by the

week
During the transition to the tougher norms, the Commission proposes to guarantee free market access to cars conformation of the conformation

sion to take such a step. Separately, a split between northern and southern EC

#### New flights for Blue Arrow

1979 81 83 85 87 89

while for the Touche investment trusts it is critical.

As far as Touche itself is concerned, the deal is a triumph, not merely because of the price. After the loss of TRIG, its £2.8bm of funds under management left it stranded uncomfortably in between the really big players and the small ones. With the backing of Société Générale, it stands a chance of joining the first

chance of joining the first league in Europe, and the com-bination of the two existing

businesses is a good head start.
Eventually, the idea must be to
bay up some of those unit
trusts which are struggling
against the higher costs of reg-

ulation and lower demand, to

make better use of the Touche overheads. The strategy seems

a fine one; unfortunately there

is no shortage of buyers waiting for bargains in next

shake out in the fund manage

There is a certain superficial

ment industry.

Sterling bonds

Sun Alliance

Yesterday's rise in the Blue. Arrow share price might seem a heartless response to Mr Berry's departure, but one can see the logic. The event appar-ently closes an era in which some rather odd things went on; and for Mr Fromstein's US admirers, it gives clearance to buy the shares free of English

It is unclear where the price

It is unclear where the price goes from here. The recent build-up of US holdings to around the 30 per cent level seems to have been an exceptionally smooth transfer from willing UK sellers, with the price almost unmoved. There is still the County NatWest stake to come out, but it might be naive to expect US interest to bid the shares up thereafter. There is no real doubt about the cyclical nature of the recruitment business, whether recruitment business, whether temporary or permanent; and even supposing a perfectly respectable 10 per cent rise in earnings this year, a price of 33p puts the shares on a multi-ple of 12. The argument might rather be reversed were it not for US interest, the shares

could well be lower.

There remains, too, the curious affair of the £25m loan.
Leaving saide the more exotic rumours about the San Diego waterfront, it is not easy to see why such a sum should be invested by an employment agency, especially one with net sets of £27m. Even supposing the money to be irrecoverable, the interest cost, at some 5 per cent of earnings, is scarcely material; but it matters a good deal that the transaction should be shown to have no connection with the present

#### Touche Remnant

There is a certain superficial appeal in the news that the Republic of Italy is raising £400m of 25-year money in London on the same day that the Bank of England announced its second reverse gilts auction. This is the way the sterling capital markets are supposed to work, with the UK government repaying its debt and the vacuum being filled by eager borrowers. Unfortunately, some investment bankers are becoming a fittle greedy; while if Touche Renmant, recently notable for its rapidly shrink-ing funds base and its anxious search for a partner, is worth 550m, things could be looking np for Morgan Greafell, Klein-wort Benson and Henderson Administration. Societé Générale has peld up for Touche — 1.8 per cent of funds under management seems a lot given the composition of those funds becoming a little greedy, while the future growth of the market is no longer in doubt, it is beginning to suffer from a but has not done so blindly.
 It has obtained some valuable know-how about equity investnasty bout of indigestion.

In the first quarter of this year, £1.6bn has been raised in the sterling fixed interest market. If Peel Holding's £100m debenture is added to the Italian Ball of the Italian Ball of the Italian Ball of the Italian Ball of the Italian is a sterling to the Italian is a sterling to the Italian is a sterling ball of the know-how about equity invest-ment, a good brand name - if one that has seen better times -and has gained a position in what is still a more profitable market than most. For such a big bank, the marginal £10m or so is neither here nor there,

far in 1989 than in all of last year. It also notes that inves-tors in only two of this year's 25 new issues are showing a profit. This is hardly the sort of record which will attract the punters, especially since the UK inflation rate is heading for 8 per cent and benchmark glits are only yielding a shade over

9 per cent.
It is not surprising that yesterday's Italian issue was only a mixed success. Whereas last a mixed success. Whereas last month's Lasmo issue was badly priced, the problem with the Italian issue is both its size and the lack of partly paid features. There is only £11hn of non-UK government fixed interest stock of over 15 years. interest stock of over 15 years maturity outstanding; and given the shape of the yield curve, there must be an obvious limit to the institutional appearance. tite of the UK institutions, at least, for this type of paper.

#### Sun Alliance

The shares of Sun Alliance have built up such a momen tum of outperformance against the market for the past seven years that it may be asked what should cause them to break the habit now. In the short term, the trend may well, not be pursued with quite such vigour. Relative to the market. the shares are at about the same level as six months ago, despite a late bound just before the announcement of yesterthe announcement of yester-day's 1988 results. And if the market managed to talk itself into finding those results acceptable by the end of the day, the effort of gaining back the 2% per cent or so lost on initial disappointment may have exhausted prospects for the moment

the moment. Given the fact that winter failed to arrive again this year in most of the UK, there appears to be little immediate concern over current year profits. And if Sun Alliance really does succeed in making about as\much profit this year as last, that leaves the company with the strongest balance sheet in the sector trading on the lowest p/e - an anomaly which may prove difficult to justify in the longer term. Sun Alliance has already turned in the star dividend growth performance of the sector, with a 32 per cent increase; and prosnasty bout of indigestion.

In the first quarter of this year, £1.6bn has been raised in the sterling fixed interest market. If Peel Holding's £100m debenture is added to the Italian issue, BZW calculates that more money has been raised so

# Vietnam to leave Kampuchea by September

Italy launches largest sterling bond issue outside UK

By Robin Pauley, Asia Editor, in London

VIETNAM yesterday announced that it would withdraw all its troops from Kampuchea by the end of Sep-tember regardless of whether a political solution to the conflict has been found.

A Vietnamese statement issued in the name of all three Indochinese states. Vietnam, Kampuchea and Laos, called oo China and other countries to stop all support for the Kam-puchean guerrillas by that date. It said the decision to end the 10-year Soviet-backed occupation followed consultations involving Vietnam, Laos and the Hanoi-backed Kampuchean

Government led by Hun Sen. Canada, Poland and India – all members of a 1954 control and supervision commis-sion called to watch over postindependence Kampu-chea – were invited to oversee the withdrawal and the halting of aid to various Kampuchean guerrilla forces io co-ordina-

By Andrew Freeman in London

ITALY yesterday issued a

1400m 25-year Eurobond, the largest fixed-rate sterling issue launched outside the UK government bond market.

The move was seen as an attempt to exploit demand for long-dated sterling bonds which has been stimulated by the UK Government's buy-

ing in of gilt-edged securities as part of its attempts to reduce the hudget surplus.

The Government has been buying back its own bonds as part of its Public Sector Debt

Repayment programme, creating a sbortage of honds, particularly st the long end of the

tion with a representative of concessions from Hun Senter United Nations Sectores They are likely to be reli retary-General. India responded quickly, saying it was willing to help hut that no formal proposal had yet been

The move shows again the pace of the Soviet Union's efforts to end its involvement in regional conflicts. Progress on Kampuchea was a Chinese condition to agreeing to the first Sino-Soviet Summit for 30 years, which will take place in

It also reflects the patient attempts by the non-Communist nations of south-east Asia, particularly Thailand and indonesia, to act as broker in arranging a withdrawal agree-ment. There bave been two negotiating sessions in Indonesia between all the warring factions, the last in February. and sioce then feversib behind-the-scenes diplomacy

maturity range. Long-dated

bonds are popular among UK insurance companies and pension funds which have long-term sterling liabilities and want fixed interest rates. in addition to the buy-in programme and an absence of new citting and an absen

gilt issues, liberalisation moves to make it easier for borrowers

to tap the sterling markets were recently announced by Mr Nigel Lawson, Chancellor of the Exchequer.

In spite of the advantageous conditions, foreign borrowers, including governments, have

been slow to issue sterling bonds. Most European coun-

They are likely to be related to his insistence on maintain-ing the Phnom Penh government as a fully legitimate government during a transition period leading to elections and to the nature of international supervision. He has so far been hotly opposed to a UN "super-visory force."

Prince Sihanouk, head of the coalition of Kampuchean resistance groups, has demanded the dismantling of the present government as part of a settle-ment, but the prince has said be accepted that Phnom Penh's administrative structure would have to remain in place pend-

Prince Sihanouk repeated in Peking yesterday that any Vietnamese withdrawal must be controlled by the United Nations and not countries chosen unilaterally by Vietnam. Vietnam had no right to decide

tries have interest rates lower than those in the UK and have little incentive to launch ster-

ling paper.
Yesterday's issue by Italy should have benefited from the

UK Government's announce-ment later in the day of a reverse auction which will remove a further 2500m from

remove a further 2500m from the glits market.

However, the bonds met mixed demand from UK institutions because of uncertainty about sterling, inflation and the direction of UK interest rates, with some refusing to

One leading UK fund man-

own, he said. However, yester-day's developments are thought to have been enough to persuade him to meet Hun Sen again, probably in Jakarta on May 2. China and Victnam will meet again later this month for a second round of

coalition comprises three major groups: the Communist Khmer Rouge, headed nominally by Khieu Samphan hut in fact by Pol Pot; the non-communist Kbmer People's National Liberstion Froot of former Kampuchean Premier Soo Sann; and followers of Prince Norordom Sihanouk, the exiled former Kampuchean

head of state. Vietnam invaded Kampuchea in December 1978, driving out the radical Khmer Rouge regime, which is estimated to have killed 2m of the country's 8m population in its four years of power.

ager said British companies

ager said British companies have issued heavily in the long-dated sector of the sterling market in recent months, sating much of the demand. In morning trading, gilt prices fell by between % and % point as rumours of the Italy issue circulated among traders, and there was heavy selling of

issue circulated among traders, and there was heavy selling of long-dated gilts and Eurostering issues. Dealers speculated that long-dated gilts, already a thin market, suffered as CSFB hedged its own position in the new securities by heavy selling of gilts futures contracts.

International bonds, Pages

#### car exhaust rules sought by Brussels

last night proposed to toughen European Community limits on car exhaust pollution in line with strict US standards from January 1993, in a remarkable victory for Community envi-

to be made mandatory by Jan-uary 1991, moving to obligatory tougher standards by 1998.

European Parliament next

ing with both existing EC and the equivalent of stricter US standards. According to car industry estimates, the change to US levels of exhaust pollution means emissions should be cut by 73 per cent from pres-ent levels, as against the just over 50 per cent made possible by the current standards. Last night's proposal, which will have to be ratified hy member states, will meet tough opposition from France, Italy and Snain the main producers

and Spain, the main producers of small cars, which would carry much of the enormous investment needed to meet the new standards. But it is a victory for the environmentally sensitive Danes, Dutch and West Germans, and the Euro-pean Parliament, which has been calling on the Commis-

Governments over the future of Europe's car industry deep-ened yesterday, 48 bours before the Community's 12 Industry Ministers were due to meet to try to seek a common line on import quotas on Japanese

They are approaching the meeting in San Sebastian, Spain, split on all the main issues facing the industry, also including local content rules, curbs on state aid and the abandonment of technical and administrative barriers to free

#### EXECUTION-ONLY STOCKBROKING

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WORLD WEATHER

#### Swapo rejects peace plan

independence elections in the territory, scheduled to take place in November, unless the UN took action.

Mr Nnjoma last night refused the offer, saying: "We have been fighting in Namibia for 23 years...it is an insult to our intelligence." He was speaking in Zimbabwe Swapo has already offered a

ceasefire which includes a provision allowing its military commanders to visit the scene

lar, Mr Botha issued an ulti-matum, threatening to sus-pend the transition to but Pretoria has turned this

Battles between Swapo guer-rillas and South African security forces seem set to con-tinne until the 1,000 strong force of Swapo guerrillas, of whom 180 have been killed, are wiped out or surrender. South African officials say that Mr Pik Botha's ultimatum has been extended, but a reply is needed before President P. W. Botha opens parliament

#### **FINANCIAL TIMES** COMPANIES & MARKETS

Thursday April 6 1989



**Touche Remnant** 

Investment

Investment trusts £1.178 m

Pension funds £1,241 m

Unit trusts

Private clients

#### INSIDE

#### iCi holds on to empire of the sun



iCl'a is one empire on which the sun never sets. And it looks like staying that way, now the UK-based chemicals glant has decided to maintain its substantial corporate pres-ence in India. In doing so it has lifted the cloud of uncer-

over its inclen Explosives subsidiary, and by cutting costs and reducing staff it has reversed a trend of stagnant sales and low levels of . profitability. David Housego reports. Page 19

#### Funds add spice to Chile

Hopes of an avalanche of capital from Chile's huge, privately-run penalon funds have sent the most actively traded shares on the local stock market ahooting up by about 30 per cent this year. Government plans to ease the rules on pension fund investment could bring up to \$530m pouring into the small exchange — a prospect that has put a spring in the step of shares that have been on a long upward march since 1985, writes Barbara Durr. Page 40

#### A coup for Kerkerian



And the man of the first of the

MGM/UA Communications, the recently revived Hollywood film and television studio, ... reported quarterly earnings yesterday which shed new light on the complex \$1bn merger deal agreed with Cintex Group of Australia last weekend. The compa-ny's results, covering its accord fiscal quarter to

February 28, 1989, auggested that Kirk Kerkorian (above), its legendary controlling share-holder, may have achieved another financial masterstroke in the Qintex deal. Page 20

#### Stronger cocoa from Ghana

Ghana used to be the world's biggest cocoa producer, and the commodity is still the country's biggest foreign exchange earner. But the decline of the industry aince the mid-1960s means that it is not making the contribution it could to national finances. Streamlining the lumbering cocca bureaucracy, improving returns to growers and breeding improved varieties are beginning to pay dividends, how-ever, and hopes are that Ghana's cocos sector is on the road to recovery. Page 28

#### **Dutch remould for Pirelli** Times are tight and



the world tyre market these days — a fact made clear yesterday when italy's Pirelli group unveiled detailed plans to hive off its tyre operations and transfer them into a Dutch-regstered holding company. It announced Pirelli Tyre Holding NV would seek to raise \$250m to \$300m from International Investors by issuing new equity representing 25 to 30 per cent of its share capital, and forecast the new company would have sales of \$3.5bn this year, making it the world's fifth largest tyre maker. Page 18

#### Market Statistics

Base lending rates	
Benchmark Govt bonds	
European options exch.	
FT-A indices	
FT-A world indices	
FT int bond service	
Financial futures	
Franksis ausbannen	
Foreign exchanges:	
London recent issues	
CONTROL LOCATE BROKE	

Service !

London share service London traded options London tradit, options Money markets . New Int, bond femes 26 37 24 30-33 World stock askt indices UK dividends assounced Unit trusts

#### Companies in this section

Allianz	48	Lockbeed
	18	M6 Cash & Carry
Amev		
Beckman (A)	26	
Bournemouth Water	24	
Bowater .		MGM/UA
British Dredging	. 26	Magnolia (Mouldings)
CH industrials	23	Moldrum Inv Trust
CSR	19	
Chamberlain Phipps		Ocean Transport
		Omni Holding
Chhabria Group		
Dagenham Motors		Pirelli
Dewey Warren	26	Plessey
Ercos Seguros	18	
Fokker	18	Quarto
Framatome	18	Rockwood Holdings
Gammon India	19	Securicor Group
		Security Services
Helton Holdings	200	Siemens
IBM		
ICI "		Suizer Brothers
Jacob (W&R)	27	Sun Alfiance
Jerome (S)	24	TIP Europe
Kingston Oil	26	United Building Soc
La Générale		United Newspapers
FO COLLEGE		100

### Chief price changes yesterday  ###################################	5
Nimes   1775 + 7.5   Harlsons Pheek   1780 + 45   Source Pender   1780 + 784   17	53 95
Visco 277.5 + 7.5 Secto-Floan. 997 + Allerz 1740 + 45 Source Pender 1780 + Falles Page 1780 + Page 1780 + 1	53 95
Allerz 1740 + 45 Source Pender 1780 + 1786 Falls	95
Dresdom Bk 327 + 7 South Female 1788	٠.
Paper	25
	دے
NEW YORK (\$) TOKYO (Yes)	
Rices	٠.
Hereten-Peckard 525 + 13 Mass. 117 547 + 13 Yangto Kopyo -2080 + 1	250-
MWA 8634 + 3: Shoke 860 +	100
Cuspital 174 + 14 Laborate March 1586 -	76
Fold 47 <sup>5</sup> 2 - 1 Falls	٠.
General Motors 401s - 5s Toda Kegye 1300 -	20
PARIS (FFr) Stimenus 2310 - 1	190 -
Please Empt DS 66.2 + 4.5 heald Gloss 1500 - 1	100
CHIEF THE	
New York prices at 12.30.	
	<b>-</b> .
LONDON (Pente)	
Risee AB Beckreic 395 -	49
G-01	15
Biffi Group 134 + 012 DBB 450 Cons Sid Fields 1385 + 37	10
Luces Inds 625 + 7 Herefock SM 142	51
Meldrum har Tat 167 + 25 Jerosee (S) 213 -	13 42
P&O Debt 671 + 5 Lee Rebig 318 -	

# Pass Go: Collect £2.77bn

George Graham and Nikki Tait on Société Générale's deal with Touche Remnant

he current wholesale reshaping of Europe's financial services industry saw another counter fall into place yesterday. Société Générale, the largest French private sector bank, put at end to months of speculation over the future of Touche Remnant Holdings, the UK fund manager, by acquiring the company for around \$50m. The French bank now plans to form a new holding company. Société Générale Touche Remnant (SGTR), to group its existing fund management activities with those of Touche Remnant. This will create a unit with some FFr190bn (\$30bn) of assets under management.

. The move is the latest in a spate of recent acquisitions by European banking groups in the UK fund management market – control of the likes of Thornton Management and GT has also passed to such predators recently.

The rationale for this is fairly simple. British fund managers often possess equity market skills which European groups lack, and in terms of product development are far more advanced. On the other side, the fund managers can potentially benefit from the additional financial backing and distributive capacity which a banking parent may bring. More-over, in the wake of the 1987 crash, many fund management groups have seen profits and ratings fall sharply, leaving them sadiy vulnerable.

From Société Générale'a view-point, the current deal has both aggressive and defensive features. The acquisition gives the case to sall on our content of the current deal has both aggressive and defensive features.

tures. The acquisition gives the group an opportunity to expand a fund management division which has hitherto been heavily focused on France, mostly concentrated in bond and money market instruments, and largely linked to its consumer banking base. But like other French banks, Société Générale anticipates an onslaught on its domestic mar-Ket, where it currently claims to rank third with a market share of

around nine per cent.
The onslaught has already begun, with foreign groups like Robeco, Fidelity and MIM setting up operations in France. It con-tinues in October this year, when cross-border sales of unit trusts are authorised within the Euro-pean Community, and expands in 1990 with the liberation of capital movements.

With customers becoming less

and less faithful to their banks when seeking investment prod-ucts, and with French capital taxation among the heaviest in the EC, the major French retail bank-ing networks which today domi-nate the fund management market are expected to have a fight on their hands.

Société Générale's executives have for some months been examining ways of counterat-

In England we would not find it easy to sell on our own name alone, because the French don't have the reputation of being great fund managers. We need alliances," commented a senior Société Générale official recently The same reasoning applies to the West German market, although the bank believes it has much greater opportunities for marketing its fund management skills in southern Europe. In seeking to build on the base of SGTR in other countries, Societé Générals is likely to focus more on finding channels of distribution than on buying other fund

managers. Société Générale is also targeting the specific investment sectors where it believes it has the most to offer. With FF1107bn of its FF7130hn of mutual funds invested in bonds and monetary instruments, including the com-plex array of repurchase and swap techniques French fund managers have developed to substitute for direct money market investment, the bank will clearly start with this sector.

Touche Remnant, for its part, is simply hopeful that the deal will write the final chapter in an unhappy two and a half-year

started back in late-1986 when it emerged it was talking to Metro-politan Life, the US life company about a possible offer. These lengthy, and eventually abortive

Peter Gray, the group's managing director.
Publicly, the group was adament about its chosen future.
Lord Remnant, the chairman,
maintained that Touche would
soldier on independenty and aim
for a stockmarket quote in the

discussions were then followed

by boardroom shuffling and the

acrimonious departure of Mr

early-1990s. Moves to put the company on a commercial footing - it had previously functioned basically as a service to the trusts, with its expenses shared between them had already started, and were

duly continued. Unfortunately for Touche, however, its unquoted status was no real protection. The ten trusts which held its shares were traded like most investment trusts - at a discount to underlying net asset value, and offered ready pickings for aggressors. Between saga. late-1987 and summer 1988, TR The company's problems Pacific Basin, TR America, TR

Technology, and TR Natural Resources all came under pres-sure, and were subject to hids or reorganisation.
The other TR trusts had a pre-

Société Générale

management

£14.8 billion

emptive rights to acquire their holdings in the fund management company itself. But that did not stop a "domino theory" from being mooted - whereby the own-ership stake hecame concentrated in fewer and fewer hands, and management would be pres-surised into abandoning its flotation goal.

Last summer, there was a brief respite, when Liberty Mutual, another US insurer, was brought in as the the management compa-ny's first external shareholder. mopping up 15 per cent of the shares. But the peace was shor-

Within weeks, the British Coal Pension Funds had launched, and quickly won, a £560m bid for TR Industrial & General, the group's largest trust. TRIG held over a quarter of the fund management

company's equity.
Yesterday, Tonche conceded that the relentless uncertainty had made it difficult to win new husiness, and to attract and

retain top-knotch staff. With funds under management drop-ping below £3bn following TRIG's loss, it also felt the pressure of being a small player in a consoli-

£ 315 m

£ 39 m

£ 2,773 m

dating market. Mr Paul Manduca, vice-chairman of TRH, maintains firmly that the SocGen deal was the best put forward, both in terms of price, continuity, and fit. Even so, there is a ready acknowledgment that there are certain areas which still need to be addressed -UK distribution, for example, and the building of the unit trust business to a more efficient size.
All the indications are that,

now that the background is more stable, the new holding company, Société Générale Touche Remnant, can be expected to make acquisitions. Across the Atlantic, the intention is also to maintain the relationship with Liberty Mutual and its Chicago-based Stein Roe investment manage-ment subisdiary.

As for the terms of deal, Lon-

don analysts yesterday seemed to feel that - on the limited information available - it was a very reasonable, if not excessively gener-

# BASF earnings soar by 44%

By Haig Simonian in Frankfurt

GROUP pre-tax profits at BASF, the leading West German chami-eals group, soured by 44 per cent to DM3.73bn (\$1.960n) last year, while sales rose 9 per cent to DM43.9bn.

The excellent results, combined with comments by Mr Wolfgang Hilger, chief executive of Hoechst, that its board would be recommending a dividend increase for 1988, fuelled specula-tion that BASF would follow suit. BASP, which paid a dividend of DM10 a share last year, has lagged both Hoechst and Bayer, which paid a DM1 bonus on their DM10 dividend last year in recognition of their 125th anniversaries. All three companies are expected to announce their 1988

dividend payments later this month, and analysis expect an increase to at least DMUz share. Mr Hilger said he expected Heechst to increase its sales volume by 45 per cent this year, pushing turnover to around DM44bn, after a 11 per cent rise to DM41bn in 1988. Profits, he said, would remain "on a high

BASF's results were sharply boosted in the last quarter by "the best quarterly pre-tax earn-ings" in the group's history and confirm the strongly trend in the German chemicals industry already reported by Hoechst and

The strong trend appears likely to continue this year and the rate

of price increases for many basic materials had actually slowed.
Sales in the fourth quarter of last year climbed 12.6 per cent to DMILOn, while pre-tax profits, which are not disclosed, appear to have more than doubled to around DLOSbn from DM429m in the corresponding period in 1987.

The company said the profits

surge had come thanks to slightly higher sales prices and "ontstanding" capacity utilisation, which more compensated for higher raw materials prices. BASF shares rose DM3.30 to DM300.50 yesterday.

Foreign markets provided BASF with its highest rates of growth last year, with North American and South East Asia

leading. Spain had shown the fastest growth within Europe.

The group has seen some respite in problem areas such as information systems, where heavy rationalisation and some sales growth allowed a "clear" improvement in earnings.

However, BASF's oil and gas operations, conducted through its Wintershall subsidiary, continued to make losses as a result of low crude oil prices and poor refining margins in the first half of the year. Group investment rose almost

27 per cent last year to about DM3.5bn, partly reflecting the inclusion of assets taken over from Polysar of Canada, BASF

#### Fromstein becomes **Blue Arrow chairman**

By Vanessa Houlder in London

A SERIES of bitter boardroom loan, which was revealed at the agency, culminated yesterday in the departure of Mr Tony Berry, the founder and chairman.

Mr Mitchell Fromstein, who took over as chief executive from Mr Berry in January after a hoardroom conp, bas now become chairman as well. He was president of Manpower, the US group acquired by Blue Arrow in 1987 after a hostile \$1.3bn (£730m) bid battle.

The shake-up comes amid pressure on the company to disclose details of a myaterious £25m

struggles at Blue Arrow, the annual meeting on Monday, world's largest employment The company has refused to add to its statement that it was reviewing how to recover the loan as a matter of urgency. A spokesman for the America's

Cup yacht competition yesterday denied it was connected to the The board changes, agreed in a meeting on Tuesday, also include the appointment of Mr Michael Davies as deputy chairman. This follows the departure of Mr David Atkins, a friend of Mr Berry.

Lex, Page 16; Background. Page 27

#### Allianz buys 51% of Spanish insurer

ALLIANZ, Europe's biggest insurance group, has taken a further step in its European expansion strategy by buying a 51 per cent stake in Ercos de

Seguros y Reaseguros, a mid-die-ranking Spanish insurer. The acquisition, which fol-lows: Allianx's purchase of around 3 per cent of Banco Popular Espanol, Spain's sev-enth biggest bank, last year, confirms the attractions of the fast-growing Spanish market for established insurers from other European countries.

Allianz has since agreed to set up a life insurance company and a pension fund management operation with the bank, which will market the products through its 1,600 branches.

Buying into Ercos, which was established in 1964 by the Erhardt group, a Bilbao industrial and ahipping concern, complements Allianz's existing

By Nick Bunker in London

SUN ALLIANCE reinforced its

status as by far the most profit-

able UK insurance company yes-terday with news that it more than doubled annual pre-tax prof-its from £171m to £372.4m (\$629m)

Though the pre-tax figure was at the bottom end of a range of optimistic City forecasts of up to

Sun Alliance profits more

\$420m, the shares closed down only 1p at 1157p last night. The reason lay in the powerful growth of Sun Alliance's shareholders' funds, which rose by \$410m to \$221bn, partly on the \$279.2m, while life assurance profits were \$234m (1987: \$230m.)Earnings per share were back of \$20m of unrealised capital gains from a revaluation of \$2.1bm from a revaluation of \$2.2bm for the 12 months to December 31, producing a \$258.7m underwriting profit. Investment income grew 14 per cent to \$279.2m, while life assurance profits were \$234m (1987: \$230m.)Earnings per share were \$230m. Earnings per share were \$230m. Earnings per share were \$279.2m, while life assurance profits were \$234m (1987: \$230m.)Earnings per share were \$230m. Earnings per share we

than double to £372.4m

activities based in Madrid and Barcelona by filling out its regional coverage in northern

Spain.
Ercos, which has 31 branches across the country, had premium income amounting to Pta5.7bn (\$49.2m) last

year.
Together with Allianz's existing operations, which are primarily conducted through the local operations of its Italian subsidiary, the group'a Spanish premium income will now increase to around DM460m (\$246m), ranking it seventh in Spain's insurance league.
That is still a long way behind its position in some other European countries, and

other European countries, and an Allianz official spoke of the an Annual contains space of the latest move as a "rounding off" of its Spanish ambitions, leaving open the possibility of further acquisitions should the opportunity arise.

its property holdings.

The group is raising its total dividend by more than 30 per cent. Mr Roger Neville, chief executive, said it would pay a total dividend of 41p, up 32.3 per cent on the 1887 figure.

Worldwide, non-life premium income was up 13 per cent at

income was up 13 per cent at £2.25bn for the 12 months to

#### Minorco has **Gold Fields** units buyers

By Kenneth Gooding, Mining Correspondent

MINORCO, the Sonth African-controlled investment group, has revealed in depositions to a New York court that it already has several potential buyers lined up for the substantial shareholdings in Gold Fields of South Africa, Newmont Mining, and Renison Consolidated it would acquire if its £3.2hn (\$5.44bn) bid for Consolidated Gold Fields of the UK succeeded. This emerged yesterday as

This emerged yesterday as Minorco asked the UK Takeover Panel to clarify the status of the "performance pledge" made by Gold Fields in its defence docu-

three years - was nothing but a thinly-disguised earnings fore-

seen as a forecast."

unsolicited contacts made by five mining companies -including two Canadian and an Australian group - about Newmont. Minorco has retained a retired Sydney property developer, Mr Robert Frost of Arles Consul-tants, to sell Gold Fields' 49 per cent holding in Renison, the Aus-

ment on Tuesday.

Sir Michael Edwardes,
Minorco'a chief executive,
suggested the pledge — that
Gold Fields would produce
cumulative sarnings per share of
not less than 400p in the next

cast of a type forbidden by the Takeover Code.
Gold Fields said later it had been able to convince the panel it had never referred to the pledge as a forecast and "it was not a present the pledge as a forecast and "it was not our intention it should be

In New York, Minorco revealed that it has retained Lazard Freres to sell the 49 per cent sharaholding in Newmont Mining, the biggest gold miner in the US. Mr Felix Robatyn, of Lazard,

said there had already been

tralian group. He told the court that five Australian listed companies had made approaches about the stake.

#### SIEBE £100,000,000 **Multi-Option Facility** Arranged by HILL SAMUEL **Underwriting Banks** Barclays Bank PLC Lloyds Bank Pic The Mitsubishi Bank, Limited **National Westminster Bank Group Tender Panel Members** Banque Française du Commerce Extérieur The Bank of Tokyo, Ltd. Bayerische Landesbank Girozentrale **Barclays Bank PLC Credit Suisse** Crédit Lyonnais Dresdper Bank Aktiengesellschaft Generale Bank Hambros Bank Limited Hill Samuel Bank Limited International Westminster Bank PLC Lloyds Bank Pic Midland Bank plc The Mitsubishi Bank, Limited

The Sumitomo Bank, Limited The Toronto-Dominion Bank

National Westminster Bank PLC

The Sanwa Bank, Limited

March 1989

Tender Panel Agent **Hill Samuel Bank Limited** 

Postipankki (U.K.) Limited

Swiss Bank Corporation

S.G. Warburg & Co. Ltd.

Société Générale

#### INTERNATIONAL COMPANIES AND FINANCE

#### Pirelli puts its tyres vehicle on the road

ITALY'S Pirelli group yesterday unveiled details of its plan to hive off its tyre operations and transfer them into a Dutch registered holding company that is this year fore-cast to have \$3.5bn of sales, making it the world's fifth larg-

Pirelli Tyre Holding NV, as the Amsterdam-based vehicle is to be called, will seek to raise \$250m to \$300m from international investors by issuing new equity representing 25 to 30 per cent of the company's

share capital.

The share offer, to be lead-managed by Morgan Stanley International, is expected to take place either in June or October, depending on market conditions. Aside from the quotation in the Netherlands the holding vehicle is also to seek a listing on London's SEAQ

The creation of the Dutch holding vehicle – with its con-trol of 29 manufacturing plants in nine countries, its 33,500 employees and a new interna-tional supervisory board chaired by Mr Wisse Dekker of Philips – is for Pirelli a long-planned attempt to boost its fortunes in the increasingly competitive world tyre market. Mr Andrea Travelli, the

By Alan Friedman

MR Silvio Berlusconi, the king

of Italian commercial television, has announced plans to acquire a 25 per cent staks in

Telefutura, one of the three

new Spanish commercial tele-vision stations set to begin

irroadcasting next year.

Although the field of contenders for a piece of Spanish

television is already crowded

by names such as Robert Max-well, RTL of Luxembourg and

TF1 of France, an aide to Mr Berlusconi said last night that

the Italian entrepreneur "has

got guarantees from the Span-ish authorities that be will be allowed to may a shareholding

Mr Berlusconi has ploneered the commercial television busi-

ness in Italy since the early 1980s and his three national networks - Canale 5, Rete 4

and Italia Uno - now com-

mand close to 45 per cent of

in Telefutura."

Berlusconi to acquire

interest in Spanish TV

Pirelli group finance director who will serve as one of the tyre holding's board members, tyre holding's board members, said in an interview that the new vehicle was being formed for two main reasons — to give greater visibility and a separate identity to the tyre business and to prepare for capital raising operations that will fund future acquisitions.

Intil now Pirelli's tyre busi-

Until now Pirelli's tyre busi-ness has been incorporated into the group's complex struc-ture, last year representing around 43 per cent of Pirelli's 57bn of total revenues; the rest consisted of sales from the cables and diversified rubber products divisions.

Pirelli has never broken out the profitability of its tyre business, nor has it ever produced a consolidated balance sheet; the latter will be unveiled with the group's 1988 results within the next four or five weeks.
Mr Travelli admitted, how-

ever, that even with the pur-chase last year (for \$190m) of Armstrong Tire of Connecticut Pirelli is still only a member of the second league of leading tyre companies in turnover terms. The top three players are Goodyear, Michelin and Bridgestone of Japan and like all leading tyre manufacturers

prime time viewing andiences with a garish mix of Hollywood films, quiz shows, dubbed ver-sions of Dallas, Dynasty and other soaps plus Mr Berlus-coni's own immitable brand of

extravagant chorus girl-filled

variety shows.

The Milan television magnate also owns 25 per cent of

La Cinq, the French commer

cial station, as well as Capodis-tra of Yugoslavia. In West Ger-

many, his Fininvest holding

company owns 45 per cent of Tele 5, a Munich-based cable

network with 3.2m subscribers.
Mr Berlusconi's aide said CTL
of Luxembourg is negotiating
to acquire part of a further 45

per cent in Tele 5.

The Berlusconi group is also in talks with West Germany's

Springer group about a media alliance that would see Fininy-

est selling part of its Tele 5 stake to Springer.

Pirelli Tyre Holding

1988: \$3.0 billion 1988: \$3.5 billion (forecast) Ranking: 5th biggest in world tyre market

Share: Total assets: \$2.3 billion Net equity:

Net debt: \$800 million Employees:

Factories: 29 plants in 9 countries Figures are on a pro-forms basis for 1988

they are locked in a global fight for market share and sales.

The second league of big tyre producers includes Continental of West Germany, which with its General Tire acquisition last year was ahead of Pirelli with \$3.8bn of sales, and Sumi-tomo/Dunlop, which is just

De Benedetti wants a profit

on La Générale

MR CARLO De Benedetti, the

Italian financier, has con-firmed he will sell his 15 per cent stake in Société Générale

cent stake in Société Générale de Belgique (La Générale), but not before making a profit on his controversial purchase in the Belgian company, writes David Buchan in Brussels. Mr De Benedetti said in a French radio intervisw that

since he and Cerus, his Paris-hased investment company, fatled in their hid to become

"the industrial operator (of La

Générale) . . . we will sooner or later cede this stake."

The average price paid for the La Générale stake was between BFr4,500 and BFr4,800,

local stockbrokers believe. This

compares with a current mar-ket price of BFr4,700.

If Mr De Benedetti sells soon, he will be competing with the planned sale by Sodinvest of its 12 per cent stake in La Gen-

behind Pirelli in terms of world where it is now investing market share (7 per cent against Pirelli's 8 per cent), but had 1988 sales similar to

Pirelli's \$30n.

Pirelli Tyre Holding is to be run by Mr Ludovico Grandi, who has managed the group's tyre division since 1984. Last November Pirelli transferred division since into the little properties in little properties in little properties into the little properties into the little properties in little properties into the little properties into the little properties into the little properti all its tyre companies into the holding except for Italy and Brazil, which had 1988 sales of \$600m and \$540m respectively. The Italian and Brazilian husi-

nesses were channelled into the Dutch vehicle last month. Some 48 per cent of Pirelli's tyre sales (including Italy) are in Europe, where it ranks third in terms of total market share and second in terms of sales of a single brand name. Among Pirelli's priorities for

the new tyre company will be a drive to strengthen its sales on the truck and hus side, which the truck and hus side, which now represent 22 per cent of total tyre revenues, below the sector average for other tyre makers. Pirelli is strongest in the car sector, which thanks to first equipment clients such as Flat, Mercedes, BMW and Ford

\$250m in Armstrong and hopes to hegin annual production later this year of 300,000 Pirelli tyres. Armstrong helped hol-ster Pirelli's position in the agricultural tyre sector, but agricultural tyre sector, but the Italian company has yet to become a first equipment sup-plier in North America, which it hopes to do by penetrating the high performance market in the next congle of years, possibly by means of a deal with General Motors.

On a pro-forma basis Pirelli Tyre Holding's \$3bm of 1988 sales would have included a seven-month contribution from

seven-month contribution from Armstrong, or around \$300m. The rest of Pirelli's tyre sales grew by around 7 per cent last year, according to Mr Travelli, who says the new holding company will aim to expand in the US and in the Far East.

headquarters for the new hold ing company was taken partly for tax reasons and partly in order to woo international investors that might find the Dutch market better regulated than the Milan bourse.

(Europe) accounts for 53 per cent of tyre sales, against an average of 45 per cent of most tyre companies' sales.

But Pirelli is weak in the US,

#### Tettamanti's Sulzer stake bought by Werner Rey

MR WERNER REY, the Swiss financial performance, but financier, has ended 18 months of uncertainty over shareholdings in Sulzer Brothers by purchasing the remaining 10 per removing the shares voting chasing the remaining 10 per cent stake in the Swiss engi-neering group held by Dr Tito Tettamanti and his Saurer Gruppe Holding.

Omni Holding, the parent

company of the group con-trolled by Mr Rey, paid a total of SFr136m (\$88.4m) to raise its stake in Sulzer from 20 per cent to 30 per cent. Omni said the acquisition "restores clar-ity to Sulzer's shareholding structure and signals an end to an extended and distressing

period of insecurity."

Mr Tettamanti led a shareholder group which in the
autumn of 1987 took control of some 35 per cant of the voting capital of Sulzsr. The group hoped to spur the Winterthur-based group into improving its

The company broke off dis-cussions with the syndicate in December 1987 and had discussions with potential industrial partners, but talks with the Tettamanti group ware resumed before breaking down again last March. .

The following month, Mr Rey partially broke the dead-lock by purchasing a 20 per cent stake from the syndicate.

Yesterday Omni expressed its confidence in the present Sulzer management which is headed by Dr Fritz Fahrni, and stated its intention to "con-tinue to participate actively in the formulation of future corporate strategies."

#### Swarttouw steps down as Fokker chairman

By Leura Reun in Amsterdam

MR Frans Swarttouw will step down as chairman of Fekker this year as expected, but the colourful executive will stay with the Dutch aerospace com-any as a member of its super-views hear?

any as a memoer of its super-visory board.

Mr Swarthouw, 56, had given up most of his duties over the past year due to heart prob-lems and has been under some political pressure to hand over the reins. Politicians in the Hagne demanded that Mr Swartouw resign at the end of 1987 when the Dutch Government balled Fokker ont of financial difficulties, blaming him for the troubles.

But since that time Fokker has turned around dramatically, pulling itself out of the red and filling its order portfolio to the brim. Recently efforts have been made to credit Mr Swarttonw with the rebound in an effort to pave the way for a graceful exit. Mr Swarttonw's date of

Mr Swarttouw's date of departure and successor were not announced yesterday, anggesting a possible power struggle. Two top candidates are Mr Erik Nederkoorn and Mr Bon van Duinen, the other two members of the management hoard, although an outsider could be brought in.

Mr Nederkoorn has been Fokker's most visible representative in recent months, signing a series of hig orders

signing a series of hig orders which he apparently negotiated. Fokker makes short to medium-haul airplanes and is 32 per cent State-owned.

Mr Swarttouw has served as the content of the

Mr Swarttouw has served as chairman for 11 turbulent years, which he recently described as "enervating and to compare with a permanent war situation."

Mr Swarttouw is one of the Netherlands' high-profile captains of industry — noted for his determination, during and awashbuckling ways. The son

swashbuckling ways. The son of a successful Rotterdam "harbour barun," he initiated an ill-fated joint venture with McDonnell Douglas of the US, presided over the ambitious launch of two new aircraft aumitaneously (the Fokker to and Fokker 100) and cultivated the US market which is now yielding fruit.

#### Contrasting results at Nat-Ned and Amev

NATIONALE-Nederlanden, the Netherlands' biggest insurance company, lifted 1968 earnings by 12 per cent but Amev, the third largest insurer, posted 5

thind largest insurer, posted 5
per cent lower profits.
Nat-Ned lifted its 1988 dividend by 5 per cent to F1 2.80 a
share and Amey kept its
unchanged at F1 2.55. Both
companies predicted higher
earnings for 1989.
Nat-Ned boosted its net
income to F1 787m (\$378m) last
year from F1 703m in 1967 as
dramatic increases in non-life
insurance and professional
reinsurance outweighed a modest decline in life insurance.
Per-share earnings rose 7 per
cent to F1 6.88 from F1 5.98.
Revenue jumped 17 per cent Revenue jumped 17 per cent to Fl 20bn in 1988 from Fl\_17bn.

Fl 17bn.
The decime in life insurance was a result of the high costs of generating new business, particularly in the Far East.
Non-life insurance continued to recover from the loss of 1986, thanks to improvements across the board.

across the board – geographi-cally and in products. Nat-Ned set aside reserves for the new tax treatment of Dutch insurance companies expected this year and for higher longevity risks as a result of the ageing population. Without these provisions net

income would have been Fl 82mn higher.

In contrast Amev's profits slipped in F1 276m from F1 292m as non-life insurance and other activities fell by more than life insurance rose. Per share net income dropped 7 per cent to F1 4.98 from F1 5.32. Revenue was flat at FI 339.6m compared with FI 339.6m.

Amey, which plans an alliance with Verenigde Spaar-bank, the biggest Dutch savings bank, blamed its 1988 decline on comparisons with a particularly strong 1967.

In that year extraordinary gains were booked on the sale of a large office project and Security Mutual Finance, a US finance company.

Operating income in non-life insurance declined due to health insurance in the US and motor coverage in Spain, Amev said. Life insurance improved in the US and Spain and deteri-orated in the Netherlands and

Amey said it expected per-share profits to climb this year despite the number of new shares which will be swapped with Verenigde Spaarbank, with the aim of a possible

#### France wants more time to study Framatome deal

By George Graham in Paris

THE FRENCH Government has asked Framatome, the nuclear plant constructor, to delay signing a co-operation agreement with Kraftwerk Union, its West German competitor and a subsidiary of the Siemens group.

Government officials has-

tened to deny that they had any fundamental objections to any fundamental objections to the agreement, and said they hoped to be able to give the go-shead in a week, or perhaps slightly more. They needed, however, more time to study the details of the agreement. Framatome, although con-trolled by CGE, the privatised tengineering and telecommunications.

engineering and telecommuni-cations group, has the Commis-sariat de l'Energie Atomique, the state atomic energy author-ity, as a major shareholder,

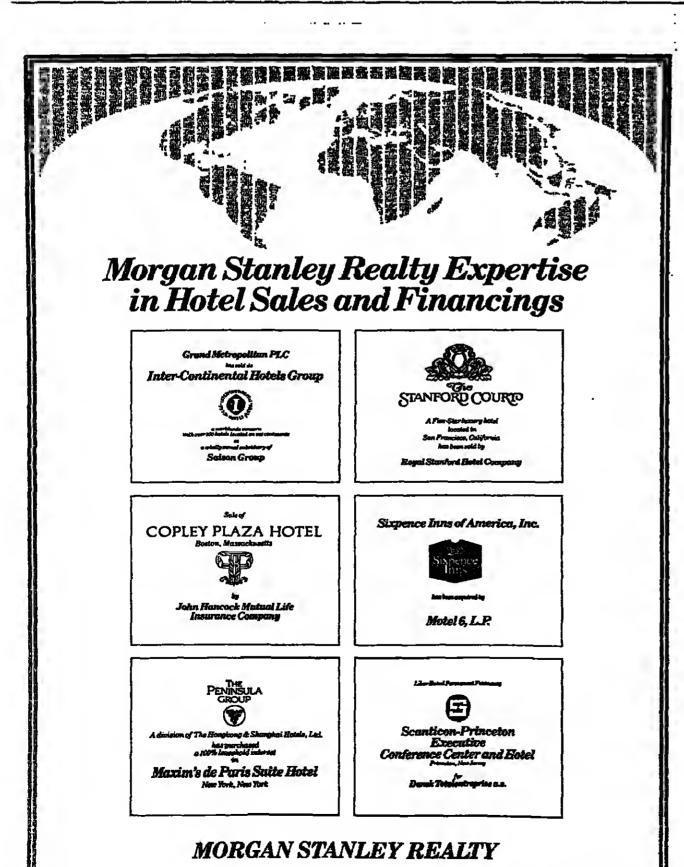
with a blocking minority of its

with a blocking minority of as capital.

Preparations for the agreement have been under way for several months, and the opulent Pavillon Gebriel, a stone's throw away from the Elysée Palace, had been booked for Thursday for a presentation of Thursday for a presentation of the details of the accord. The link was expected to

focus on the construction and financing of nuclear reactors in third countries, where substantial overcapacity exists, as well as on the nuclear service sec-

Framatome has already undertaken similar discussions with Babcock and Wilcox in the US, so far reaching agree-ment in the nuclear fuels sector. KWU has an agreement with Asea-Brown Boveri.





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#### INTERNATIONAL COMPANIES AND FINANCE

#### ICI finds new formula for India

David Housego on the UK chemical group's decision to stay put

he decision by ICI to maintain a substantial procedured with its European and US operations — and from heing out on a limb in terms of both the group's global strategy and its call on ICI funds.

ICI also had doubts over how worthwhile it was to maintain a large equity presence in a large e fied chemicals group, is a sign of the fresh interest in India-being taken by multinationals. ICI, which through its Indian Explosives subsidiary, manufactures fertilisers, pharmaceuticals, paints, artificial fibres and specialty chemicals, is the second largest foreign-owned group in the country, with a turnover of Rs5.5on (\$363.1m).

But Indian Explosives has been through a long and diffi-cult patch with internal restructurings, stagnant sales, low levels of profitability by ICI standards and a staff demoralisation as a result of uncertainties over the parent group's intention.

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The Table

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My Philip Daubney, the British managing director, called in four years ago to provide tighter management control following an amalgamation of ICFs Indian subsidiaries under

the Indian subsidiaries under the Indian Explosives umbrella, has cut costs, reduced staff, provided a new strategy for the group and improved profitability. But it was by no means cer-tain until the end of last year that ICI would not pull out of India or at least sell off chunks; of its operations. Takeover of its operations. Takeover rumours were rife that one of the ambitious new Indian petrochemical giants like Reliance or RPG Enterprises of Mr R.P. Goenka would snap up the

Mr Henderson concedes that. Indian Explosives' profit per-formance had "not been very sparkling" and that 1986-87 was a "lousy year." Pre-tax profits as a percentage of turnover have climbed from 6 to 7 per cent in the early 1980s to a current level of 9 per cent. compared with a current ICI group average of 12-13 per cent. Indian Explosives suffered

from being low on ICI's priorities for much of the 1980s -

a large equity presence in a country where foreign compa-

nies were faced with the restrictions of the foreign exchange regulations as well as the difficulties faced by Indian companies over obtaining new licences, expanding capacity, or importing new equipment.
The group suffered a major

thack when it lost out to Indian competitors over a Reson natural gas powered fer-tiliser plant at Shahjahanpur in Uttar Pradesh. Among the factors that weighed in ICFs decision to stay was Mr Hen-derson's belief that "the investment climate has changed over the last two or three years' towards greater liberalisation and that there was a realisation within the Government that India must consider itself part of the world market."
ICI is also attracted by

India's large middle class market and a demand for chemi-cals expanding in real terms at 8 per cent a year. Within that overall figure, it sees plenty of opportunities for introducing products and technologies where ICI has built up a worldwide reputation.

he tangible sign of ICI's renewed commitment to India is that Indian Explosives, in which ICI has a 51 per cent stake, will be renamed ICI India – thus reasserting its British and multinational identity. The Indian tional identity. The Indian company, as Mr Henderson sees it, will thus be more closely integrated with group leadquarters.
It will have the commercial

advantage of making more extensive use of the ICI brand name. And the change will also be a morale booster to ICI

Planned investment over the next five years will be Razbn — which is small by the standards of India's rising petrochemical groups. But ICI does not want to repeat what it now



Denys Hemilerson: does not promise UK investment

regards as the mistake of bidding for major fertiliser com-plexes or in putting up off-the-shelf petrochemical plants in which it does not have a competitive advantage. We are repositioning our-

selves," Mr Danbney says. "We are focusing on areas where we have an inside track" in terms of new products or technolo-gies. Mr Henderson adds that the emphasis is also on areas where the group will not be put in a stratigacket by govern-ment regulations and adminis-tered prices. In practice this means that ICI will soon be manufacturing in India its heart drug, Tenormin. In paints it hopes to regain market share from Asia Paints through bringing in more high to medium quality lines that have sold well elsewhere in the world. In agrichemicals it plans to introduce its Karate insecticide, an advanced synthetic pyrethroid that was developed in the UK. "Once you get a world beater, you push it round the world, says

ver the next few years ICI will add three or four new businesses. It already has a government licence to set up a polyure-thane plant to make shoe soles, insulation materials and engi-

neering plastics.
Once demand builds up sufficiently it will integrate backwards with an MDI plant. It is seeking government permis-sion to manufacture energy efficient FM-21 membrane cells for the chlor-alkali industry. Its most recent investment

- a £25m (\$42.7m) polyester staple fibre plant at Thane, near Bombay - has, however, run into problems because it has been completed at a time of an unexpected combination of rising material prices and excessive government licensing of new polyester plant that has resulted in surplus

capacity for fibre producers.
"We will have to slog it out for a couple of years," says Mr Henderson. In the immediate future 25 per cent of output will be exported.

While diversifying into new products, ICI intends to push for further cost reductions. It has reduced its Indian workforce from 10,000 in 1983 to 8,100 now.

It has also sold its polythene plant at Rishra, near Calcutta, which was incurring losses ing the molasses-based alcohol ou which it depended for its feedstock. ICI India also intends to put greater effort into marketing. "This company has been more technology-driven," says Mr Daubney. "Now we shall go back to the customer and find solutions to his problems with him." All of these securities having been sold, this advertisament appears as a matter of record only.

\$200,000,000

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**Gammon India thwarts** hostile takeover bid

By R.C. Murthy and Gita Piramal in Bombay

GAMMON INDIA, a Bombay ness group almost entirely

civil engineering company, has thwarted a hostile takeover bid by Mr Manu Chhabria, a Dubai-based businessman of indian prignal and paints. A shareholders poll conducted under the suspices of a Bombay High Court judge showed that 60 per cent of votes cast were in favour of the incumbent management of the incumbent management of the

The present management team is headed by Mr James Bates, the chairman, and Mr T.N. Subba Rao, the managing

director. The poll closes a year-long battle for control of the company which despite its modest R:103m (\$6.7m) turnover has been fought in the courts and the front pages of local news-

in the most recent move, Mr Chhabria sought court inter-vention to defer the meeting when he realised the majority of shareholders were against

The failure is rare for the 43-year old Mr Chhabria, who in the last five years has cre-ated india's eighth largest busi-

**CSR** settles with SGIC over asbestos claims

tions holding 6 per cent of the the board's favour. The other party may now reveal its idenmesothelioma...

tity and request a seat on the board.

A spokesman for Mr Chhabria said he would hang on to his 33 per cent shareholding "for the time being." iary which operated the Wit-tenoom asbestos mine in West-ern Australia between 1943 and 1966.

The SGIC announced last September that its unlimited

Mr Chhabria acquired an ini-tial 12.8 per cent from the Lon-don-based Mr Andrew Gammon last year. However, his half-brother on the Gammon India board, Mr. Peter Gam-mon, refused to sell his to court.

The shares, which had stood at Rs29, reached Rs320 at the peak of the battle. They are now back to Rs95, which values the Chhabria holding at Rs67.8m.

By Chris Sherwell in Sydney

industrial group, has settled its legal dispute with the Western Australian State Government Insurance Commission (SGIC) over claims against: CSR by sufferers of asbestos related The agreement will save

both parties growing embar-rassment over the failure to settle claims by hundreds who and the incurable lung-cancer, It will also reduce CSR's

direct liability significantly.

The dispute concerned cover for Midalco, the CSR subsid-

cover for the 1959-66 period was "inoperative," and CSR took it

Yesterday the two sides agreed to fund equally settle-inents relating to this period. CSR said the agreement would entail contributions of about A\$15m (US\$12.4m) each. It also said it would continue

THE Anstralian

to fund settlements totalling about A\$20m for those who worked at the mine before

The SGIC's move last Sep-tember followed the Victorian Subtend Court's rejection of a CSR appeal against the award of A\$250,000 in exemplary damages to Mr Klaus Rabenalt, a former Wittenoom employee suffering from mesothelioma. Mr Rabenalt also won A\$426,000 in compensatory

The SGIC said CSR was aware of the dangers of ashes-tos dust, had failed to take reasonable precautions and did not fully disclose the dangers of the mine to the commission.

CSR angrily dismissed the allegations and accused the commission of failing to provide reserves to cover claims or to take out adequate rein-

Yesterday's agreement means both sides have effec-tively admitted some responsi-bility for the Wittencom mine, which has been dubbed "Australia's Bhopal," because of the death and disease it has

RAUMA-REPOLA Oy Control of the control

has acquired

NORDBERG INC. and its affiliated companies

On behalf of Rauma-Repola Oy, the undersigned developed the acquisition strategy, approached the sellers, valued the companies, and assisted in negotiating and closing the transaction.

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has become a member of the firm and will continue to practice tax law

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formerly a member of Zavin, Sinnreich & Wasserman has become a member of the firm and will continue to practice copyright and entertainment law

SCOTT M. MARTIN and ARTHUR P. REICHMAN

formerly associated with Zavin, Sinnreich & Wasserman have become associated with the firm.

April 1, 1989

REPUBLIC OF COLOMBIA New Role of Interest 17.625% p.a. April 6, 1989

To the Holders of THE CHIBA BANK, LTD. U.S.\$100,000,000 2% per cent. Convertible Bonds due 2002 Notice of Issues of the Convertible Debentures and Adjustment of Conversion Price

Persuant to Clause 7 of the Trust Deed dated 22nd December, 1986 with respect to the above-expitoned Convertible Bonds, you are hereby ootified as follows. The Chibs Bank, Ltd. issued Japanese Yen 20,000,000,000 Convertible Debentures due 1993 and Japanese Yen 20,000,000,000 Convertible Debentures due 1993 and Japanese Yen 20,000,000,000 Convertible Debentures due 1995 (together the "Debentures") oo 31st March, 1989 (the "Issue Date"). Each of the initial conversion prices per Share of both Debentures are Yen 1,394, which were determined on 3rd March, 1989 and such initial conversion prices are less than Yen 1,441, the current market price per Share, as at 3rd, March, 1989, which is the average of the daily closing prices of the Shares on the Tokyo Stock Exchange for the 30 consecutive trading days commencing 45 trading days before such date (the first and last days of such 30 consecutive trading days before such date (the first and last days of such 30 consecutive trading days being 24th December, 1998 and 8th February, 1999, respectively) as provided in and subject in the said Trust Deed.

According to the calculation based on the coumber of total Shares outstanding on the Issue Date of 582.215, 182 Shares, the Conversion Frice of such Convertible Boods has been adjusted pursuant to the Trust Deed and the Conditions of the aforesaid Convertible Boods as follows:

(1) Conversion Price before adjustment:

(1) Conversion Price before adjustment: Yeo 751.1 per Share

(2) Conversion Price after adjusts Yen 749.90 per Share (3) Effective Date of the adjust (Tokyo time): 1st April, 1989

THE CHIRA BANK, LTD. Dated: 3rd April, 1989

£200,000,000

NATIONAL

Floating Rate Notes 1993

In accordance with the provisions of the Notes, notice is hereby given, that for the three month interest Period from April 5, 1989 to July 5, 1989 the Notes will carry an Interest Pate of 13.225% per annum. The interest payable on the relevant interest payment date, July 5, 1989 will be £329.72 per £10,000 principal amount of Notes.

By: The Chase Manhattan Bank, N.A.

April 6, 1989



U.S. \$100,000,000



Brierley Investments Overseas N.V. (Incorporated with limited liability in the Netherlands Antilles) Floating Rate Notes Due 1992

all unconditionally and irrevocably guaranteed by **Brierley Investments Limited** 

(Incorporated with limited liability in New Zealand) In accordance with the terms and conditions of the Notes, notice is hereby given, that for the interest period from April 6, 1989 to July 6, 1989 the Notes will carry an interest rate of 10.45% per annum. The amount payable on July 6, 1989 will be U.S. \$264.15 per U.S. \$10,000 principal amount of Notes.

By: The Chase Manhattan Bank, N.A. London, Agent Bank

April 6, 1989

CHASE

All these securities having been sold, this announcement appears as a matter of record only. New Issue

March, 1989



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Notice is hereby given that the Annual General Meeting of Aktiebolaget SKF will be held at SKF Kristinedal. Byfogdegatan 4, Göteborg, at 3.30 p.m. on Thursday April 27, 1989.

#### **Annual General Meeting**

#### Agenda

- Ordinary general meeting business will be transacted in accordance with Swedish law and the Articles of Association.
- The Board's proposal that the terms of the Articles of Association regarding the objects of the company (§2) be changed so that the terms reflect the company's present objects.
- The Board's proposal that the terms of the Articles of Association regarding the shares' nominal value (§5) be changed so that the share have a nominal value of 12 kronor 50 ore instead of 50 kronor.
- The Board's proposal regarding a four for one stock split for both share classes.

#### **Notice of Attendance**

For the right to participate in the meeting. shareholders must be recorded in the shareholder's register kept by the Securities Register Centre (VPC AB) by Monday April 17 and must notify the Company before noon Monday April 24 of their intention to attend (Aktiebolaget SKF, S-415 50 Göteborg, Tel: +46-31-37 26 52), giving details of name, address, telephone and shareholding.

#### **Payment of Dividends**

The Board recommends that shareholders with holdings in the register records on May 3 are entitled to receive dividends for 1988. If this date is accepted by the Annual General Meeting it is expected that the Securities Register Centre will send out notices of payment to recorded shareholders and listed depositaries on May 11,

To facilitate payment of dividends, shareholders who have changed address are recommended to inform Värdepapperscentralen VPC AB. S-171 18 Solna, well before May 3.

Proxy forms are available from: AB SKF, S-415 50 Göteborg, Sweden. Tel: +46-31-37 26 S2 & 37 10 00.

Göteborg, April 1989. The Board of Directors





To: All Bondholders

US\$70,000,000 51/1% Convertible Bonds Due 1998

Suspension of Bond Conversion

NOTICE IS HEREBY GIVEN that the Bonds will not be convertible during the period 12 May 1989 to 17 May 1989, both dates inclusive, being the period during which the Share Transfer Books and the Register of Members of the Company will be closed for the purpose of determining shareholders' entitlement to the proposed Second and Final Dividend in respect of the financial year ended 31 December 1988.

US\$100,000,000 4% Subordinated Convertible Bonds Due 2001

Suspension of Bond Conversion

NOTICE IS HEREBY GIVEN that the Bonds will not be convertible during the period 12 May 1989 to 17 May 1989, both dates inclusive, being the period during which the Share Transfer Books and the Register of Members of the Company will be closed for the purpose of determining shareholders' entitlement to the proposed Second and Final Dividend in respect of the financial year ended 31 December 1988.

BY ORDER OF THE BOARD

SHIRLEY LOO-LIM (MRS) GROUP SECRETARY
THE DEVELOPMENT BANK OF SINGAPORE LTD

6 April 1989 Singapore

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#### INTERNATIONAL COMPANIES AND FINANCE

#### Qintex tie seen as Kerkorian coup

By Anatole Kaletsky in New York

MGM/UA Communications, the recently revived Hollywood film and television studio, reported quarterly earnings yesterday which ahed new light on the complex \$10n merger deal agreed with Qin-tex Group of Australia last weekend.

The company's results, cov-ering its second fiscal quarter to February 28, 1989, suggested that Mr Kirk Kerkorian, its legendery controlling share-holder, may heve achieved another financial masterstroke in the Qintex deal.

MGM/UA lost \$14.7m or 29 cents a share after tax in the second quarter, despite dra-matic growth in its revenues from theatrical and TV film distribution. In the second quarter of 1988 MGM/UA incurred a net loss of \$4.5m or nine cents; but the two results were not directly comparable because of the 63 per cent increase in operating costs to \$231.7m, connected with this year's much bigger production and distribution commitments.

The more remarkable aspect of the results announcement came in the evidence that the company's growing prosperity was based largely on its latest film and TV productions. Under his Quitex deal, Mr Karkorian will retain ownership of these lucrative properties. MGM/UA said its theatrical distribution revenues more than doubled in the second quarter to \$116.9m. largely because of the success of Rain Man, the Dustin Hoffman film which won four Academy awards. In addition to this success in the US market, it said foreign rentals of Willow and A Fish Called Wanda had proved

extremely strong.

The company said theatrical returns from the first quarter of 1989 showed that MGM/UA had risen to number one in box office revenues in the US mar-ket, with a market share of 17 per cent. Two years earlier, its share was only 1 per cent. In television, MGM/UA said its most popular series, Thirty Something and in the Heat of the Night, were holding their

number one positions in their respective time-slots, while a new quiz show, Straight to the Heart, had delivered "an ourstanding performance since its debut in March.

its debut in March.

When Qintax buys MGM/UA for \$1bn, Mr Karkorian's Tracinds Corporation will simultaneously repurchase for \$250n the MGM name and logo along with the 34 feature films the company has produced since 1986 and the MGM/UA Television Production Group.

sion Production Group.
Qintex will end up paying \$750m for the 4,000 pre-1886 movies in the MGM/UA library, merchandising ectivities, a theatrical and TV distribution professive and the prebution network and the present film production business,

#### US pension funds step up battle for investor voice

By Janet Bush in New York

THREE OF the largest public US pension funds are about to challenge several leading corporations to withdraw voluntarily from the protection of Delaware anti-takeover law. The California Public

Employees Retirement System, which runs a \$49bn pension fund, will challenge Lockheed at its annual meeting next month. This is the latest stage of a two-year drive to sponsor shareholder resolutions aimed at giving pension fund investors a more active voice in the management decisions of top compenies. The New York City Employ-

ees Retirement System will bring up the same point at the annual meetings of Kimberly-Clark and Boeing; and the Cal-ifornia State Teachers Retirement System will issue a challenge to Ford.
The challenge to manage-

meot's protection under Delaware law is particularly signifi-cant, not because the state's stringent than elsewhere but because 56 per cent of Fortune 500 companies are incorporated there and 45 per cent of companies traded on the New York Stock Exchange.

The move by the three pension funds does not appear to have been formally co-ordinated but the campaign on several fronts does point to a trend in which pension funds are demanding a more active role in the management decisions of companies in which

The campaign has come in for some criticism in light of increasing concern among pub-lic pension funds about the potentially damaging effect on local economies of hostile takeovers. Ona official who has been

involved with a New York State task force examining pension fund policy towards takeovers and leveraged buyouts commented: "On the face of it, I don't see any long-term logic to this. What are these

funds doing - setting them selves up to make money from hostile takeovers?"

Mr Basil Schwan, assistant executive director of the Calif-ornia Public Employees Retire-ment System, rejects this criti-cism, saying that his pension fund is not for or against hos-tile takeovers tile takeovers.
The campaign, he believes, is

part of a drive towards pension funds using their muscle to improve management performance. "What we are against are entrenched managements making decisions which affect the foture of the company without shareholder approval,"

without shareholder approval,"
he said. His Californian fund
owns around 800,000 shares of
Lockheed out of a total of
59.3m, a tiny proportion.

Mr Schwan said it is difficult
to judge how successful the
shareholder resolution will be
but that other public pension
funds are becoming more funds are becoming more active in ensuring a more substantial policy-making role for

IBM enters back-up systems market By Louise Kehoe In San Francisco

INTERNATIONAL Business Machines has entered the market for providing emergency back-up systems for businesses that are critically dependent

on computers.
It said it would provide systems at recovery service centres in the US.

The market for such services is growing rapidly as financial institutions, insurance companies, retailers and others recognise their dependence on com-

required by law to maintain a back-up system that can be tapped in the event of a big computer failure or natural IBM's entry into the field

puter systems. US banks are

represents a challenge to mar-ket leaders Sunguard and Commarket for disaster recovery systems. IBM said its disaster recovery services were limited but it planned to expand them later this year.

The US disaster-recovery market is valued at only about

market is valued at only about \$200m per year, but is growing at about 25 per cent per year, according to industry experts.

Recent disasters such as the Los Angeles earthquake that disrupted the computer operations of a real estate title common and last year's fire at company and last year's fire at a Chicago telephone exchange that knocked out data communications for several compa-nies have emphasised the need for back-up services.

#### **Provigo** earnings hit by poor health side

In Montreal

PROVIGO, Canada'a second largest food distributor, saw profits decline last year follow-ing poor performances in some

The group's net income dropped to C\$60.2m (US\$50.7m) or 71 cents a share in the year to January 28, from C\$67.2m or 80 cents a year earlier on net sales, including its consumer goods retailing activities, up 17 per cent at C\$7.4bn.

Mr Pierre Lortle, chairman and chief executive, said the

1989 results were disappoint-ing. He said the strong results for the food and convenience groups were overshadowed by difficulties in the Medis health and pharmaceutical services and the "poor performance" of ToyCity. The health and phar-maceutical group suffered a loss of C\$2.8m, against a profit of C\$3.2m a year earlier while the convenience group saw profits increase by 6 per cent to C\$10.8m.

#### Simmons cuts Lockheed stake

MR HAROLD Simmons, the Dallas investor has reduced his stake in Lockheed, the big US military contractor, to 4.2

per cent from 5.3 per cent, Reuter reports. In a filing with the Securision, he said the shares were sold because of their perfor-mance and the company's sale of shares to an employee stock ownership plan.

INTERNATIONAL **APPOINTMENTS** 

Hill & Knowlton post for ex-EC Commissioner

MR STANLEY Clinton Davis, MR STANLEY Clinton Davis, whose political career has included service as EC Commissioner and as a British MP and member of the Labour Government, has joined Hill and Knowlton, worldwide public relations and public affairs counselling firm, as European affairs senior adviser.

affairs senior adviser.
As a member of the Commission of the European Community from 1984 to end-1988, Mr Clinton Davis was in charge of anvironment, nuclear safety

and transport.

He was Parliamentary
Under-Secretary of State for
Trade from 1974 to 1979 in the
Labour governments of Harold
Wilson and James Callaghan which and James Canagnan. He was Opposition Spokesman for Trade from 1979 to 1981, and then for Foreign Affairs until 1983.

HONGKONG and Shanghai Banking has appointed Mr Gra-ham Watson to the new post of UK public affairs manager, based at the bank's City of

London office.

He was formerly with TSB, the British financial services group, serving as senior press and public affairs executive. From 1963 to 1987, he was head of the private office of Liberal Party leader David Steel.

US COMPUTER group Amdahl announced a strengthening of its European management structure through expansion of its senior management team and establishment of an office of the chairman - Europe.
Within that office, Mr Peter
Williams, formerly general
manager of Amdahl activities in Rurope, becomes chairman of European operations, while Mr Mornay Mahoney joins the

group as European vice presi-dent and general manager. XEROX, the US diversified reprographics and financial services group, declared that vice chairman Mr William Glavin, 57, will be taking early retirement from June 1.

He will become president of Babson College, in Wellesley, Massachusetts. This announcement appears as a matter of record only.

U.S. \$40,000,000 Term Loan

ENKA DE COLOMBIA S.A.

Provided by

International Finance Corporation

and through IFC Participations by Algemene Bank Nederland N.V. Deutsche Bank Luxembourg S.A. Swiss Bank Corporation NMB Bank

March, 1989

**Notice** 

to the holders of the outstanding

U.S. \$100,000,000 9% per cent. Guaranteed Bonds Due 1993

FLETCHER CHALLENGE FINANCE NETHERLANDS B.V.

Notice is hereby given to the holders of the above Bonds that, at the Adjourned Meeting of such holders convened by the Notice of Adjourned Meeting published in the Financial Times and the Luxemburger Wort on 15th February, 1989 and held at 11.00 a.m. on 23rd February, 1989 at the offices of Linklaters & Paines, Barrington House, 59-67 Gresham Street, London EC2V 7JA, the Extraordinary Resolution set out in the Notice of Meeting published in the Financial Times and the Luxemburger Wort on 18th January, 1989 was duly passed. Accordingly the Trustee for the Bondholders, the Fiscal Agent and the Paying Agents have entered into a Supplemental Deed dated 23rd February, 1989 as authorised by the Resolution, which Deed provides for the cancellation of the Security Stock, the substitution of the Guarantor of the Bonds, and the amendments to the ferms and conditions of the Bonds and authorises other documents to be entered into in connection with the Bonds, such cancellation, substitution and entry into other documents to take effect from 30th March, 1989.

Fletcher Challenge Finance Netherlands B.V.

#### INTERNATIONAL CAPITAL MARKETS

#### Keen interest in £400m Italy Eurosterling deal

THE Republic of Italy THE Republic of Italy yesterday launched a £400m Eurosterling deal via Credit Suisse First Boston. The deal, launched around midday, was described by CSFB as "significant for the sterling market."

It added that the deal was the largest bond issue launched away from the gilt-edged market and was in line with the UK government's stated desire for gilt substi-

stated desire for gilt substi-

The 25-year bonds were priced at 100% per cent and were launched at 114 basis points above the benchmark long gilt. The lead manager was quoting the paper at less 2 bid, inside fees, and said the bonds had always been within

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The syndicate on the deal was small, with just five colead managers, one of which is understood to have taken no

CSFB said it had underwrit-ten £275m itself, with the other. managers trying to place the remaining £125m. The syndicate was not making prices to brokers, but some prices did appear in the market. Non-UK investors were

rominent in selective demand. for the paper.

Two accounts are under-stood to have each taken 10 per cent of the deal, but UK institutional interest which would normally underpin a long-dated Eurosterling issue was noticeably absent.

Some leading UK institu-tions said they had been sounded out by CSFB yester-day morning about a pricing of

INTERNATIONAL BONDS

105 basis points above gits and confirmed that they had told CSFB the bonds would be too

The issue did attract some switching activity. However, there was controversy among glit traders when prices of long bonds fell by around ½ point in the morning as talk of the forthcoming Italy deal circulated.

CSFB was rumoured to have sold 1,000 gilt futures con-tracts. An official would not confirm the number of con-tracts, but said the selling had been to cover switching out of

The proceeds were unswap-ped. The purpose of the issue was to re-finance existing debt which is due to expire.

Elsewhere, two convertible issues for Mitsubishi Bank had relatively slow starts amid lack of initial demand. Both the DM500m and the \$300m deals were trading inside fees at less 1% bid according to the respective lead managers. The proceeds of the dollar deal were

unswapped.

A \$200m floating-rate issue with warrants for Abbey National Building Society was brought by Baring Brothers. The bonds were quoted on fees at 101.45 bid by the lead manager, but there was widespread comment; among traders that the warrants were too expensive.

An Ecu200m deal for the European Investment Bank was launched late by Swiss Bank Corporation. The eight-year bonds were quoted just inside fees at less 1.95 bid. ● The coupon on Swiss nuclear power utility Kernkraf-twerk Leibstadt's SFr125m bond has been set at 5% per cent and its issue price at 99% per cent. The bond, with a maximum maturity of 10 years, may be raised to SFri50m.

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The Financial Times Ltd., 1989. Reproduction to whole or in part to any form not permitted without written Data canolied by DATASTREAM interpolarest.

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#### NZ building society plans US\$100m **Eurobond**

By Dai Hayward in Wellington

THE UNITED Building Society New Zealand's largest, plans to raise US\$100m through a fixed-interest Eurobond, the

liked-interest Eurobond, the first ever Euro-funding by a local building society.

United is to use its portfolio of home mortgages as backing for the loan. It will use the funds to provide further home mortgage finance within New Zealand.

The society has, for some time, advocated the creation of a secondary mortgage market in New Zealand and its sees its in New Zealand and its sees its foray into Europe as a first step towards this. It intends to make a similar issue in New Zealand later this year.

The bonds will carry a coupon of 10.5 per cent and he repayed within three years.

Mr Colin Jenkins, United wangeing director, said he

managing director, said be expected the new funds to lower mortgage costs. Mr David Caygill, Finance Minister, has been applying pressure on banks and finance in the cost of institutions to reduce such

Mr Caygill said United's move into the international secondary mortgage market would improve liquidity and

vould improve liquidity and udd competition to the New Jealand mortgage market.

Last year United was subject of a run of withdrawals by avers following reports—
absequently disproved—of roblems for the society.

#### SE chiefs reject common Nordic tock market

y Xueling Lin Copenhagen

HE CREATION of a common fordic stock exchange has een firmly rejected by schange chiefs in Sweden, enmark, Norway and Fin-

Mr Leif Vindevag, head of international markets and new instruments at the Stockholm "Although we would like to see a greater flow of informa-tion between the Nordic stock markets, we do not believe in the necessity of a common

market place."
The issue was raised at the Scandinavian International Financial Markets Conference held in Copenhagen this week Mr Vindevag's comments were reiterated by the other Nordic any hopes that a common Nor-dic stock exchange might be set up in Denmark, the only one of the four countries which is a member of the European Community.

The different nature of each of the Nordic stock markets was emphasised, although the president of the Copenhagen exchange said he boped to see the creation of common Nordic rules governing the listing of companies.

#### **Fuel oil futures** contract boosts Simex turnover

THE Singapore International Monetary Exchange (Simex) registered record turnover in March, beosted by the February launch of a fuel oil futures contract, Reuter reports. Total turnover in March rose by 52.9 per cent to 767,658 contracts, from February's

peak of 502,074.
The average daily turnover also rose to a record in March, shooting ahead by 25.1 per cent to 34,884 contracts. The exchange continued to see an enthusiastic response to its recently launched high-sul-plur fuel oil contract.

The exchange, Asia's leading financial futures market, must achieve a daily turnover of 20,000 contracts by September this year or both it and the Chicago Mercantile Exchange have the right to review their mutual offset agreement. The fuel oil futures contract,

launched on February 22, recorded a turnover of 285,474 contracts in March. Turnover in Eurodollar and Nikkei stock average index futures contracts moved up to 353,304 and 100.224 contracts respectively. against 276,657 and 92,293 contracts in February. Simex said volume for the first quarter of 1989 rose to

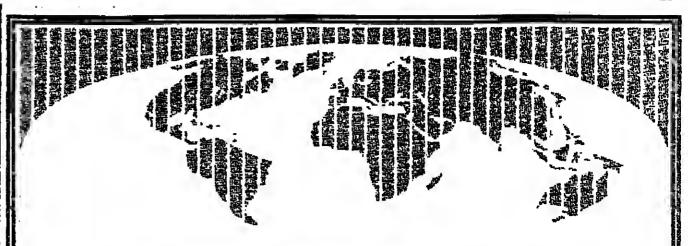
1.59m contracts, 217 per cent over the same period last year.

NOTICE TO **ADVERTISERS** 

**NEW FT FAX NUMBER** 

From Monday 20th March

The Advertisement Classified Fax Number is: (01) 873 3064



All of these Securities have been sold. This announcement appears as a matter of record only.

U.S. \$79,973,000

#### Burlington Resources Inc.

7% Exchangeable Subordinated Debentures Due 2004

Exchangeable for Shares of Common Stock of

Anadarko Petroleum Corporation

MORGAN STANLEY INTERNATIONAL

BANQUE PARIBAS CAPITAL MARKETS

IMI CAPITAL MARKETS (UK) LTD.

KLEINWORT BENSON

NOMURA INTERNATIONAL

SALOMON BROTHERS INTERNATIONAL SHEARSON LEHMAN HUTTON INTERNATIONAL UNION BANK OF SWITZERLAND (SECURITIES)

April 1, 1989

All of these securities having been sold, this advertisement appears as a matter of record only.



\$150,000,000

#### **Unilever Capital Corporation**

10.44% Guaranteed Notes due October 1, 1990

Payment of Principal and Interest Guaranteed Jointly and Severally by Unilever United States, Inc., Unilever N.V. and Unilever PLC

Goldman, Sachs & Co.

April 1989

#### SHELL CANADA LIMITED

U.S. \$125,000,000 14 3/8% DEBENTURES DUE 1992

NOTICE OF REDEMPTION

NOTICE IS MERCEY GIVEN that under the terms of the Trust Indenture between Shell Canada Limited (the "Company") and a predecessor in interest to Montreal Trust Company of Canada, as Trustee dated May 1, 1982, the Company Intends to and wit redeem on May 15, 1989 (the "redemption date") all of the 14 3/9% Debentures due 1992 (the "Debentures") which will be outstanding on the redemption date it the price of 101 1/2% of the principal amount together with interest accrued and unpeid to the redemption date (the "redemption price"). Interest accrued to and payable on the redemption date will be paid upon presentation of the May 15, 1989 coupon. U.S. \$125,000,000 of the Debentures are outstanding. There has been no previous cell for redemption of any of

Payment of the redemption price will be made upon presentation and surrender of the Debentures and all unmatured coupons pertaining thereto at the specified office of any of the following paying agents:

Bank of Montreal Trust Company

Bank of Montreel First Bank Tower First Canadian Piace Toronto MSX 1A1 Rank of Montreal

D-6000 Frankfurt-am-Main 17 Credit Scisse CH 8021 Zurich

Swiss Bank Corporation CH-4002 Basis

9 Queen Victoria Street London ECAN AXN Banque Generale du Lacembourg S.A. 14 Rue Aldringen

Morgan Guaranty Trust Company of New York Avenue des Arts 35 B-1040 Brussels Union Beak of Sultzerland

The amount of any missing unmatured coupons will be deducted from the redemption price, interest upon the principal amount of the Debettures shall cause to be payable from and after the redemption data. Deted at Caigary, Alberta, Canada this 6th day of April, 1989.

CH-8021 Zurich

SHELL CANADA LIMITED

#### BankAmerica Corporation

Sporeted in the State of De U.S.\$400,000,000 Floating Rate Subordinated Capital Notes Due 1997

Holders of Notes of the above issue are hereby notified that for the next interest Sub-period from 7th April, 1989 to 8th May, 1989 the following

 Interest Payment Date: 7th June, 1989. Rate of Interest for Sub-period:

Interest Amount payable for Sub-period: US\$44132 per US\$50,000 nominal.

Next Interest Sub-period will be from 8th May, 1989 to 7th June, 1989.

Bank of America International Limited

SABRE VI LIMITED US\$72,000,000 Floating Rate Secured Notes Due 1992

For the 6 months period 3rd April, 1989 to 2nd October, 1989 the Notes bear the interest rate at 10.9375% per onnum, US\$5,529.51 will be payable from 2nd October, 1989 per US\$100,000 principal amount of Notes. Yamaichi Internatio

(Europe) Limited, Agent Bank

#### INTERNATIONAL CAPITAL MARKETS

#### **US** Treasuries move lower in reduced trading volume

By Janet Bush in New York and Katharine Campbell in New York

US TREASURY bonds pulled its apparent official target back somewbat yesterday, reflecting caution over further price gains after the market's recent rally which took the yield on the benchmark long bond close to 9 per cent on At midsession, prices were

#### GOVERNMENT BONDS

quoted around & point lower at the short end of the market and % point lower at the long end. The long bond yield rose to 9.02 per cent.

Trading was subdued, with little movement in the currency and commodity markets. Crude oil prices were mixed on the New York Mercantile Exchange during morning trading.

The bond market seems to

be settling into a quiet range as traders wait for tomorrow's March jobs and wages figures, followed by the following Friday's producer prices report. The small pull-back yesterday seemed logical given that the market wants to receive the employment figures in a fairly ocutral frame of mind and the fact that yields, partic-

ularly at the short end of the market, seemed to bear increasingly little relation to the current level of Fed funds. Yields on short-dated issues are currently trading at around 9.4 per cent, compared with a Fed funds rate which has mostly been around 9% per

cent. Shape slightly yesterday, as
Yesterday the Funds rate fell
to 9% per cent, the bottom of
slightly on the news that the

US TREASURY .

NETHERLANDS

BENCHMARK GOVERNMENT BONDS

11/98

range, and the US Federal Reserve announced that it was conducting one-day matched sales to drain liquidity temporarily from the market to push the rate nearer to 9% per cent

At the same time, the Fed was expected to add reserves permanently to the system by hoving coupon Treasuries in a

coupon pass.

This kind of operation normally happens at this time of year because of the large outflow of funds due to the tax. paying season.

UK gilt-edged securities lost more than half a point yester-day on the news of a £400m Eurobond issue for the Repub-

lic of Italy.

The June long gilt future closed at 95%, % of a point weaker over the session.

In the old days, gilts traders' attention would be fixed on the timing of the part government. timing of the next government tap issue. Now, with the dwindling supply of ontstand ing paper as a result of the government's funding policy, events in other sectors of the sterling market assume added significance and, as was demonstrated yesterday, a gilts supply shortage does not mean prices march relentlessly

upwards. Most of the price drop came on rumours before the actual launch of the Italy issue. The yield curve also changed

Price Change Yield wgo

6/98 96.2932 -0.210 5.20 5.17 5.15 3/07 106.5236 -0.001 5.01 5.03 5.00

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10.250 12/98 99.2500 +0,125 10.37 10.62 10.43

12.000 7/98 90.0013 -0.553 13.83 13.58 13.54

6.7500 10/98 97.8750 +0.200 7.05 7.18 7.10

London closing, 'denotes New York morning session Yields: Local market standard Prices: US, UK in 32nds., others in decimal

98.3500 +0.225 6,90 6.95 6.89

Technical DetaiATLAS Price Sources

On Liffe, the June 10-year future closed at 93.56, a gain of 15 basis points over the day.

THE Japanese Government today announces terms of the April auction, the first to include competitive price hidding from syndicate members. Recent speculation among dealers suggests competitive pressures may push yields as low as 4.85 per cent. The No. 119 bond bears a 4.8 per cent

Bank of England would hold a

ON THE Continent, the German market moved modestly ahead, while French govern-

ment bonds were quiet in advance of today's monthly

Prices in Germany were

fixed between 10 and 15 pfen-nigs higher, on overnight strength of the US Treasury

Dealers expressed surprise

that the generous repurchase allocation by the Bundesbank did not push the market more

than another 5 pfennigs or so higher when it was announced.

DM300m from the market was none the less interpreted posi-

tively for the outcome of the

Bundesbank policy meeting today, where officials are not expected to raise official inter-

A net draining of only

#### Yields dip on **Turkish T-bills**

TURKEY'S central bank sold at euction TL150bn (\$74m) of three-month Treasury bills at an average 39 per cent yield, after selling TL170bn at 44.52 per cent at the last auction on March 1, Renter reports.

Because the central bank

has halted its open market operations, in which banks make short-term repurchase agreements from the bank's government securities portfolio, demand is high and yields are expected to dip further.

#### **US-style** auction for Japanese long bonds

By Stefan Wagstyl in Tokyo this time buying in paper in the seven to 15 year THE LIBERALISATION of the Japanese government bond market advanced yesterday with the launch of a US-style auction for 10-year bonds, the most popular instruments.

Japanese banks and securities companies marked the day with a flood of convergence.

with a flood of generously priced hids designed to flaunt their power in the market. Foreign companies, which had pressed hard for reform, also made well priced hids but for much smaller quantities of

However, traders said the day was of little use in judging the future of the new system since the level of congratulatory business, carried out on barely profitable terms, was so

The anction is the latest reform carried out by the Ministry of Finance in efforts to meet criticism from foreign companies and governments, principally the US, that overseas companies were discrimi-nated against in the market

This stemmed from the issue of government honds which, under the original system, were allocated to syndicates of Japanese companies, with small shares reserved for for-

eigners.
This was modified for 10year bonds in 1987 by the introduction of a partial auc-tion system under which 80 per cent of bonds were sold by allocation and 20 per cent at auction. But the auction was not a true one since the price was fixed not by competitive bidding but by subsequent

Under intense pressure from the US, the MoF agreed to a more radical reform. From now on 40 per cent of each issue is being sold at a free auction, with prices set by competitive bidding.

The remaining 60 per cent is being sold under the old syndi-

cate system, although foreign companies have, from last year, been given an increased

The MoF was due to publish the results of yesterday's auction today. However, bond traders estimated that the average hid was between 99.60 and 99.80 per cent of the par

British Funds
Corporations, Dominion and Foreign Bonds Industrials
Financial and Properties

EQUITIES

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# Reciprocity rift among Ecu dealers

SEVERAL OF the largest told potential market makers it viewed Ecu T-bills as a European product and it expected the list of dealers to reflect that. to become market makers because of government concerns about reciprocity for UK

securities firms in Japan.
While market share and turnover per dealer in the programme are statistics that are known only to the Bank of England, dealers said that Nomura Securities International and Daiwa Europe were among the most active players in the securities. Nomura is said to have purchased as much as 20 per cent of the most recent Ecu T-bill auction and placed it with retail clients in Europe.

When the Bank announced its programme last autumn, it

However, the presence of several US houses on the cur-rent list of 26 market makers suggests that the Bank is willing to be flexible. Houses are allowed to become market makers only after being invited by the Bank, and no Japanese firms are on the list.

As a practical matter, dealers say that firms which are market makers gain mostly cachet by their status since

anyone, including retail cus-tomers, can bid at auctions. However, as market makers firms have direct access to the Bank and can expect to be advised of any new develop-ments or changes in the proIn addition, they can count

In addition, they can count on the Bank buying back their securities if they cannot be placed with clients, albeit at slightly sub-market rates.

For the Japanese houses, reciprocity has been a touchy subject and most firms have taken the view that there is little to be gained by complaining publicly about being denied market-maker status.

Meanwhile, UK authorities, noting that reciprocity is more often a political consideration than a commercial one, are rejuctant to comment on how the Japanese came to be omitted from the UK Treasury's Ecu T-bill programme.

The Dapartment of Trade and Indistry, which had spear-headed the UK effort to force Japanese authorities to open

up their financial markets to up their unancial markets to UK institutions - and which had initially objected to the granting of gift-edged market maker status to the Japanese houses - said that naming market makers for the Ecu T-hill programme was strictly a matter for the Bank.
A DTI official said: "We have

A DII official said: "We have not sought to use our powers to prevent any firms from becoming market makers."
He added that Japan had made good progress towards opening its financial markets to UK houses.

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But he stopped short of say-ing the department was satis-fied with the extent of access UK firms now had to Japan's financial markets or that it had no objections to inviting Japa-nese houses to apply for mar-ket-maker status.

#### SIB plans to modify futures capital rules

By Katharine Campbell

THE Securities and Investments Board, the chief UK investor protection authority, has proposed some modifi-cations to the capital requirements it imposes on futures and options firms, particularly with regard to conditions under which they offer lines of credit to customers.

The changes, set out in a consultative document now being circulated for comment to members of the Association of Futures Brokers and Dealers, the futures self-regulatory body, respond, among other things, to concerns expressed by a number of parties that controls over traders using attractive credit terms as a device to win husiness might be inadequate.
At the same time, they also

At the same time, they also represent "another significant attempt to tailor financial resources regulations to the specific needs of a specialised area of investment business," according to Mr David Walker, STR chairman SIB chairman

According to SIB, the propos-als reflect "best market prac-tice," and should not impose additional capital requirements on well-run firms. Indeed, in some instances.

relaxations of some rules may actually decrease capital charges.
Firms and exchange officials

contacted yesterday, a number of whom had not yet seen the paper, said it was too early to

evaluate the effect of the pro-In its study of 22 representative firms, carried out jointly with the AFBD, the SIB reviewed the whole notion of extending credit to customers, a controversial subject that has been aired frequently, including at a meeting last July. This meeting was attended by representatives from exchanges and the clear-ing house as well as officials from the Bank of England.

Firms in the metals and physical commodities markets commonly advance credit to clients to cover monies that the clearing house requests ~ an initial security margin and funds sufficient to cover any losses un ontstanding posi-tions. By contrast, exchange rules at both Liffe and LTOM require firms to collect these funds from their customers in

advance. While finding the practice of granting unsecured credit extensive — the paper cites a case of a firm with unsecured lines amounting to 1,510 per cent of its total financial resources - regulators were still not disposed to move to ban it altogether, partly because of worries that a ban might be anti-competitive for

UK firms. The thrust of the consultative paper is thus to tighten up some of the conditions for

unsecured lending, in return

for relaxations in other areas. One area where the authorities propose to tighten up considerably regards the so-called concentration charge, or measure of a firm's exposure to an individual counterparty. As the SIB itself points out, current rules do not prevent a firm extending unsecured credit to a single source in amounts that actually exceed the firm's. own liquid resources, a situa-tion that would clearly jeopard-ise the firm's position in the avent of a customer default.

As many big problems in the futures markets have indeed arisen from exposure to a sin-

is a significant omission in the a significant omission in the authorities' capital safety net. Under the new proposals, the concentration charge would be calculated according to a formula relating single client exposure to the amount of capital held by the firm in excess of minimum requirements. It of minimum requirements. It would be applied, on a rising scale, where exposure to one debtor exceeded 50 per cent of

gie source or market, notably the international tin crisis, this

in return for tightening controls on aspects of credit provision, the overall capital charge would be reduced. Formerly, 85 per cent of a debtor's loan was allowable as an asset on the firm's balance sheet for capital

rnies better into line with those of the Bank. SIB also pro-poses an emendation to rules on segregation, designed to encourage the practice. Trans-ferring client funds into a separate account is optional (except for private clients) under the current rules, and more firms have been opting out than the regulators expected. The subject has recently become contentious because the US (where segregation is a statutory requirement) is soon likely to impose its own rules on UK firms dealing with US clients. Members of the London Metal Exchange have been per-ticularly concerned about the effect this would have on their

credit-driven business. The SiB proposals go some way to meeting these objections in so far as they would abolish the anomaly that a firm offering credit had itself to put hinds into the segregated account equivalent to the initial margin the client would otherwise have put up... The cash flow cost of this has led many firms to discourage clients from requesting segre-

All the rule changes, suitably amended after comments solicated from AFBD members, are likely to be implemented by autumn, although the segregation proposal will be effected computation purposes. This is sooner, as a sweetener for to be raised to 90 per cent, firms probably forced to comwhich the SIB says brings its ply with the US rule.

#### LONDON MARKET STAYISTICS

RISES AND FALLS YESTERDAY

LONDON RECENT ISSUES

FIXED INTEREST STOCKS

RIGHTS OFFERS

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	These Indices ar the Institute										
	EQUITY GROUPS		Wedn	esday /	Tue Apr 4	Apr 3	Frí Mar 31	Year ago (appro-			
Fíg	& SUB-SECTIONS ures in parentheses show number of stocks per section	índex No.	Oay's Change	Est. Earnings Yield % (Max.)	Gross Olv. Yleid% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1989 to date	Index No.	index No.	Index No.	Index No.
	CAPITAL 6000\$ (207)		-0.4	10.38	3.98	11.43	7.22	949.95	946.12	949.94	733.4
낅	Building Materials (29)	1216.30	-0.5	18.85	3.85	11.35 10.92	3.92	1223.61		1197.78	997.4
ᆲ	Contracting, Construction (38)	2742 54	-0.4	11.98	3.78 4.37	14.96	14.63 2.99	1739.50 2751.57	1734.55 2354.62		1539.5
3	Electricals (10)	2707 54	-0.4	8.96	3.17	14.47	12.62		2119.34		
6	Mechanical Engineering (54)	511.29	4447111	18.16	3.95	12.04	4.94	511.50	506.58		
ě	Metals and Metal Forming (7)	532.07	-0.7	14.42	5.60	7.84	0.00	535.56	536.25	539.15	
أو	Motors (17)	309.75	+0.1	11.80	4.83	9.84	4.85	307.44		318.16	261
١öl	Motors (17)	1564.59	-1.3	9.40	4.31	12.64	21.63	1584.54		1613.41	
21 l	CONSUMER GROUP (186)	1173.82	-0.3	8.97	3.68	13,95	5.74	1177.85	1176.57	1171.61	1022.3
221	Brewers and Oistillers (22)	1270.52	-0.3	9.83	3.50	12.85	5.36	1274.95	1278.39	1277.11	1943.
25	Food Manufacturing (20)	1020.29	-0.1	9_35	3.99	13,33	10.15	1021.25		1026.97	
26	Food Retailing (15)	2029.61	+0.1	0.95	5.46	14.71	0.97	2926.71		1994.35	
27	Health and Household (14)	2222.34	-0.7	6.38	2.61	17.95	7.33		2230.10	2175.54	
27]	Leisure (33)	1612.32	-0.2	7.58	3.31	16,78	13.42	1614.96	1614.89	1621.18	1244.1
쑀	Packaging & Paper (16) Publishing & Printing (18)	3/9.80	-1.0	10.17	4.15	12.01	5.04	585.49	598.57	576.16	473.
34	Stores (35)	743.21	-0.8 -0.3	8.81 11.42	4.40	14.21	5.06 1.75	3675.47 764.21		3687.96 761.49	33173
35	Textiles (15)	516 20	-03	12.01	5.44	10.11	6.38	518.32	763.68 517.34	518.92	799.
긺	OTHER GROUPS (94)	1074.70	-0.3	10.06	4.19	12.11	0.37	1977.69			857.1
iil	Agencies (181	1265.74	-0.2	8.42	2.68	15,20	12.34	1268.00		1278.67	
32 l	Chemicals (22)	1217.89	-0.5	10.96	4.83	10.96	21.10	1224.32	1225.50	1215.67	
13	Conglomerates (11)	1523.54	+0.1	10.02	4.80	11.53	4.76	1521.80	1521.30	1513.11	1248.5
15	Transport (13)	2389.37	+0.4	8.32	3.57	15,42	14.45	2389.01	2374.14	2364.38	1906.
	Telephone Networks (2)		-0.2	10.42	4.17	12.48	0.00	1129.72		1122.94	946.6
	Miscellaneous (28)		-1.8	10.51	3.97	10.82		1581.78		1507.57	1110
19(	INDUSTRIAL GROUP (487)	1108.61	-0.4	9.68	3.91	12.76	_ 7.19	1212.54	1110.86	1105.75	713.1
51	OII & Gas (13)	1973.95	-0.1	9.71	5.63	15,19	49.17	1976.51	1983.03	1978.99	1753.2
59	S00 SHARE INOEX (500)	1182.21	-0.3	9.68	4.13	12.81	9.85	1286.86	1184.99	1282.72	984,3
П	FINANCIAL GROUP (123)	742 56	-0.2		5.08		12.54	744.08	741.84	747.06	658.7
ΣĮ	eanks (8)	729.56		23.37	6.52	5.62	20.35	729.21	725.59	729.72	640.8
55i	Insurance (Life) (8)	11083.06	-0.1		5.42	-	25.72	1084.64	1074.65	1104.91	959.7
56	Insurance (Composite) (7)	597.79	********	- 1	5.36	~	10.03	597.A5	597.14	598.01	512.7
571	Insurance (Brokers) (7)	951.30	-0.8	B.87	6.65	15.03	16.38	959.12	957.73	963.03	823.4
58	Merchant Banks (11)	332.32	+0.3 -0.7	5.68	4.51 2.65	22.41	3.61	331.45 2324.68	331.05	333,91	335.7 1111.7
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	Mining Finance (2)		-0.3	8.52	4.83	13.71	15.93	1387.49			975
	Overseas Traders (8)					_					
끠	ALL-SHARE INOEX (706)		-0.3	- 1	4.23				1076.51		896.6
- 1		Indea No.	Day's Change	Day's High (a)	Day's Low (b)	Apr 4	Apr 3	31	Mar 30	29	Year

_	FIX	ED I	NTE	RES	r		AVERAGE GROSS REDEMPTION YIELDS	Wed Apr	Apr 4	Year ago (approx.
	PRICE INDICES	Wed Apr 5	Day's change	Tue Apr 4	xd adj. today	xd adj. 1989 to date	British Guvernment Low Syears. Coupons 15 years.	9.45 9.23 9.07	9.61 9.17 9.02	0.59 0.97 8.87
3 4	British Government 5 years 5-15 years 0 ver 15 years Irredeemables All stocks	117.64 134.13 144.74 170.55	-0.23 -0.55 -0.46	117.71 134.45 145.54 171.34 131.72		3.59 2.89 4.56 1.51 3.37	7 High 5 years	10.62 9.64 9.25 10.75 9.89 9.43 9.07	10.58 9.61 9.19 10.71 9.83 9.37 9.03	9.62 9.18 9.85 9.12
6 7	Index-Linked	132.55 133.40	-0.68	132.54		1.36 0.95 0.95	Index-Losted   Index-Losted   Indiation rate 5%   Syrs.   12   Indiation rate 5%   Over 5 yrs.   13   Indiation rate 10%   Over 5 yrs.   14   Indiation rate 10%   Over 5 yrs.	3.42 - 3.55 2.73 3.38	3.62 3.54 2.72 3.38	3.77 1.36 3.61
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AND INDUSTRY NOTICE TO ADVERTISERS he Financial Times prope **NEW FT FAX NUMBER** From Monday 20th March The Advertisement Classified Fax Number is : Southwark Bridge (01) 873 3064

**FINANCIAL TIMES** 

#### **UK COMPANY NEWS**

#### Ocean Transport in line with forecast at £38.5m

OCEAN TRANSPORT & Trading, which last month severed its historic ties with the shipping industry to com-plete the transformation into a transport and distribution group, suffered a slight fall in pre-tax profits in 1988.

in line with forecasts which were reduced towards the end of the year, the group's pre-tax profit eased to £38.5m, compared with £41.2m in the previous 12 months.

The performance was impaired by a fall in contributions from discontinued businesses, principally the shipping operations, and a downturn in the commodity storage business. The result is also after an increase in the interest charge from £3.3m to interest charge from £3.3m to

Mr Nicholas Barber, chief executive, said the poor performance in the commodities business was "not a knock to the stategy but a knock to the

figures." This stategy has led the company into a £125.5m investment programme during the past three years and a further £50m is earmarked for the current 12

Group turnover reached £10n (£950m) with the frieght and distribution services operations contributing 2663.8m (2564m). Earnings per share slipped to 22.6p (24p). Despite the pre-tax profit fall, the directors are recom-

mending a higher final divi-dend of 8p (7.01p) which lifts the total by 12.9 per cent to 11.68p (10.35p).

The withdrawal from ship-

ping, which has been accompa-nied by an intense investment programme in other areas, led



to strategy.

£30m. The company sold its West African shipping interests last month and the Barber Blue Sea joint venture last December after a prolonged

period of difficulty.

Trading profits from discentinued businesses fell to 26.2m (£7.6m) on a turnover of £166.8m (£221.5m). Problems with the commodity storage business arose through a fall in demand for

storage for several commodi-ties and the impact was felt most directly by the McGregor Cory subsidiary.
Offsetting the strength of MSAS, the freight forwarding business which is a pivotal piece in the group's new land-based strategy, the freight and

distribution services division returned a trading profit of £15.1m (£17.5m). . . The marine service business centred on service operations in the North Sea, was the second biggest contributor to trad-ing profits with £11.8m (£9.6m) on a turnover of 261.8m

(£48.7m). The environmental and energy services business which has been another area of heavy investment, returned a trading profit of £10.1m (£8m).

Turnover eased to £107m (£108.8m). • COMMENT

These results highlight how far OT&T has to go before the promises made during the past three years are fulfilled. With the shipping operations out of the way the path should be much clearer. However, the push into alternative investments has produced weak overments has produced weak overall results in 1988 and continued patience by shareholders will be required. The decline in trading profits in the freight and distribution services divi-sion will be particularly disappointing, given the enthusiasm the board has shown for the sector. The rise in the total div-idend, is certainly an expres-sion of confidence in the future, but it could also be seen as an attempt to placate potentially restive shareholders. Ironically, OT&T in its streamlined form, could become all that more attactive to potential predators. Sir Ron Brierley would certainly face spirited opposition if be mounted another bid, but with 27.5 per cent of the capital he could still play a role in determining the future of the group. Speculative interest is still an important factor in the share price which firmed yesterday after an initial downturn. Fore-

casts of pre-tax profit of £46.5m

place the company on a pro-spective p/e of 11 which makes it look fully priced.

OW LONG can this go on? Sun Alliance is the oldest, the most reti-cent, and the most profitable of the UK's composite insurers. Its leap forward in pre-tax profits last year to £372.4m fell short of market expectations, but was still a remarkable achievement for a group which made only £48m five years ago. But, over the long-term, can vate cars.
They could be vulnerable to incursions by US or European Sun Alliance maintain its dom-

inance of a composite insur-ance sector exposed to the same competitive pressures sweeping the rest of the finan-cial services field? The signs are that it can, even though one of the industry's notorious profit cycles could slice £20m off pre-tax profits in 1989. "I'd be calling them the world's greatest insurance company, if it wasn't

already in the share price, says Mr Tom Bennett, insurance analyst with Banque Paribas Capital Markets. There were one or two shad-. ows on yesterday's figures. Poor reinsurance underwriting in 1982-4 at London and Guarantee, a small subsidiary, cost £9.1m in extra provisioning. And its New Jersey-based property/casualty insurance part-ner, Chubb, which manages £220m of premiums on its behalf, is being hit by the US market's two-year-old price

The heart of Sun Alliance, though, lies in the UK, with its cherisbed links to building societies and major commer-cial insurance buyers such as the Duke of Westminster's. Grosvenor Estates.

True, there are one or two bad omens for Sun Alliance's

UK non-life business, accounting for 64 per cent of its £2.25bn 1988 premium income. In 1988, it benefited hugely from mild weather, after 1987's October hurricane which has cost it £155m to date. Yet some observers predict a profits squeeze in insurance for com-mercial property and for pri-

insurers eager to expand their UK presence abead of 1992: den's Skandia Interna-Sweden's Skandia Interna-tional is buying UK motor insurer National Insurance and Guarantee Corporation. And even without competition from new capital flowing into the husiness, it has been looking Inevitable that some rates would drop.

would drop. Claims and expenses were consuming only about 80p of every £1 of commercial fire premiums last year. Unsurpris-ingly Mr Rob White-Cooper, deputy chairman of Sedgwick Ltd, the insurance broksr, says: "Premium rates bave softened. We're seeing reduc-tions of 15-20 per cent." The cost of private motor

insurance is not falling yet, but 1988 saw an unexpected stabi-lisation in claims frequency (the percentage of insured drivers who make a claim each year) at about 24 per cent. As a result, price increases that have dogged motorists for the past four years bave slowed dramatically.

But the pessimism should not be overdone. The rest of the commercial property insurance market may be turning down, but Sun Alliance is still getting customers to pay more.

#### Sun Alliance Pre-tax profits (£m) Shareholders tunds (Cbn) 1983 84 85 86 87 88

is still heading towards the double-digit level," says Mr Scott Nelson, its general manager (corporate finance).

Insuring against loss of a dominant position

Nick Bunker on the strategy adopted by Sun Alliance to maintain its market lead

And Sun Alliance's household structure insurance book has only just started benefiting from mid-1988's 11 per cent post-burricane price increase, which could feed an extra £25m annually into group pre-tax

. The only area looking tough in the immediate future is employers' liability insurance. Claims experience there is "very nasty", says Mr Nelson, partly due to claims from victims of industrial deafness. But astuts observers of Sun

Alliaoce worry less about immediate prospects than about its long-term orientation. Some competitors say it bas not thought deeply about its future. "It has a fortunate port-folio of businesses, that's all," sniffs one rival.

This is probably not true.

shrewd moves to protect its dominant position in the UK. They seem to stem from a perception that the future in Brit-ish insurance and financial services belongs to those companies which control distribution networks.

An example was its £30m deal last sutumn to take a 30 per ceot stake in Swinton Insurance, the fast-growing Manchester-based High Street motor broking chain.

The Swinton deal was presented as a move to give Sun Alliance a further outlet for its life products. Similar moves recently have been Sun Alliance's £18m purchase of a 60 per cent stake in the Hogg Robinson estate agency chain, and its agreement with Woolwich Equitable to make the building society an exclusive agent for Sun Alliance Life. Signifi-cantly, though, Sun Alliance indicated privately yesterday that it was also expecting larger flows of non-life busi-

ness from Swinton and Hogg.

A second hidden strength of Sun Alliance is what Banque Paribas's Mr Bennett calls "a virtuous circle" of halance sheet growth. The group's solveocy margin (shareholders' funds as a percentage of pre-mium income) swelled from 85 per cent at the end of 1987 to 93 per ceot at the end of 1988, when shareholders funds

reached £2.1bo.

When a UK composite insurer reaches this level of strength, it can afford a relatively high-risk investment mix, weighted towards equities and property. High solveocy allows a more adventurous investment policy which produces greater total returns, which further boost solvency, says Mr Bennett.

This can leave a composite insurer looking over-capitalised - a criticism levelled occasionally at Sun Alliance. Significantly, though, Sun Alliance has begun hinting that it may deploy its strength in big acquisitions.
One pointer is that Sun Alli-

ance plans to reorganise Itself this year around a new non-insurance holding company, a move which could make acquisitions more straightforward

It also sees its balance sheet strength as the means to make itself felt in Europe after 1992. The UK, too, is an area where insurers, hanks and huilding societies are increasingly competing bead-on in the savings market. "With upheavals in Europe, and in UK financial services, in the next few years these are two areas where we might want to make acquisi-

#### TIP Europe expands in Scandinavia

TIP Europe, the trailer rental company, yesterday announced an expansion into the Scandinavian market through the acquisition of 400 trailers from Narko Leasing, Finland's big-gest trailer rental business, FM 25m (£3.5m) in cash.

The move is an attempt to broaden the base in Finland for expansion into the Soviet Union, where TIP has an existing contract in the trailer bustness. The assets being pur-chased are valued at FM 15m. and TIP will also pick up the trailer fleet's existing clients: After the deal TIP's share of the Finnish trailer market will

#### **CH** Industrials launches **European joint ventures** By John Ridding

specialist engineering, building and chemicals group, yester-day announced separate joint ventures with Electrolux, the Swedish white goods manufac-turer and Bode of West Ger-many, and the acquisition of Chair Mechanisms.

Electrolux has taken a half share in Auto Springs, one of CHPs subsidiaries which man-

CH INDUSTRIALS, the mated to have net assets of £1.3m and annual turnover for the venture is expected to be

> The second joint venture, Bode (UK), has been formed to produce complete sliding and powered door systems for rail and road vehicles.

Bode (UK) has agreed to lease certain fixed assets worth £750,000 and to purchase stock ufactures custom made and work in progress of around springs. Electrolax is buying 50 5030,000-from Diplomat.

per cent of the enlarged chare The purchase of Chair Mechapital for \$400,000 and is also anisms involves a \$480,000 deal providing \$250,000 in the form which will be payable in loan of bank facilities.

#### Utd News in US purchase.

Link House Publications, a subsidiary of United Newspa-pers, yesterday announced the first of what could be several publishing acquisitions in the US, writes Raymond Snoddy.

The company is paying \$8.7m (£5.1m) for Want Ad Press, a weekly advertising periodical based in New Jersey. Want Ad, specialises in vehicle and general merchandise classified advertising.

Last week, Lord Stevens, executive chairman, said United, which also owns Exchange & Mart, the classified advertising publication, was in "active negotiations" to buy about three US companies in the advertising, trade and the chaical and exhibitions field. The major thrust of United's future expansion would how ever, probably come in conti-

#### Reconstruction proposed for Meldrum

By Nikki Talt

MELDRUM INVESTMENT Trust, a £76m fund 72 per cent-owned by British & Com-monwealth Holdings, yesterday unveiled complex reconstruction proposals which would allow minority shareholders to transfer their inter-

ests to a new split-level trust. The new trust, Gartmore Value Investments will, like Meldrum, be managed by Gartmore. It has two types of shares, zero dividend, which offer a pre-determined rate of return, and ordinary, which enjoy the remaining growth which the managers can achieve.

Under the scheme, the new trust starts out owned by B&C. worth about £19m for the minority interest in Meldrum, taking the form of a share exchange with Meldrum share-holders being offered an equal number of ordinary and zero

dividend shares in GVL.
The underlying net asset value of these is equal to 100 per cent of formula asset value. In this case, advisers estimate that the difference batween nav and fav explained by some of the costs
involved - should not be
much more than 1 per cent.
At the same time, GVI

places with institutions £40mworth of stock - comprising £10m of debenture stock, £15m of zero dividend shares and £15m of ordinary shares. The assets of GVI then comprise £40m casb and £19m in Meldrum shares.

In the last step, B&C is required to buy out the £19m of Meldrum shares for £19m casb. The final effect is to leave full ownership of Meld-rum in the hands of B&C, and GVI with £59m cash.

Yesterday, Mehirum offered an illustrative example for shareholders based on Mon-day's estimated formula asset value of 172p per share. For 100 Meldrum shares, a share-holder would get 172 ordinary shares with a net asset value of 50p each, and 172 zero dividend shares, with similar asset

backing.

In addition, BZW is underwriting a cash alternativa at 49p for each ordinary and zero dividend share. Holders taking this option get just under £169 for every 100 shares.

Meldrum shares rose 25p to 167p on the news. Gartmore said that the discount at the trust sveraged 20 per cent over the last year and has been as high as 26 per cent during the past five years. It maintained that both the

new share classes should trade at 98-102 per cent of underly-ing net asset value - so that the scheme effectively elimi-nates the old discount. The zero dividend shares

have no right to income and are initially entitled to 50p when the trust is wound up in 1995. However, this will steadily increase over the life of the trust at an annual rate of 210 basis points over the semi-annual gross redemption yield of 104 per cent Exche-quer stock 1995.

Mr Nigel Rudd, chairman of Williams Holdings, is joining the GVI board. For certain tax reasons, B&C

yesterday sold a small number of Meldrum shares at 160.5p. The move reduced its holding from 75 per cent.

#### MBS in buy-out discussions

MBS, the computer dealer savaged in a price war last year with other IBM distribu-tors, is in talks about a management buy-out of its substantial product sales business.

The low-margin business accounts for about £100m of total annual group sales of £120m or £130m, and could be worth more than £30m. The wbole of MBS is valued at £49,3m based onyesterday's closing price of 49p, up 2p. The sale of the computer

sales operation to a team led by its managing director, Mr

more alleadances.

Derek Lewis, would mark the end of three years of attempts to rescue MBS from depen-dence on IBM and the vagaries of computer distribution.

Its disposal would leave MBS, one of the three largest the more reliable earnings from computer maintenance

IBM dealers in Europe, with its services businesses, including

and engineering contracts.

Last year, MBS announced the closure of its distribution arm, and its withdrawal from the wholesale business. In Feb-

ruary, the group's chief execu-tive, Mr Stafford Taylor, resigned and MBS warned it had moved into loss in 1988. The profits warning followed

a substantial drop in interim profits - from £1.36m to £215,000 - after IBM increased the number of UK distributors from two to eight. Mr Taylor and MBS's chair-man, Mr Owen Williams, joined the company in 1985 from IBM UK in an attempt to

strengthen the group, after borrowings rose to £17m fol-

lowing a similar price battle.

**CAP GEMINI SOGETI** + 39.3% in Revenue + 43.6% in Net Income

t its meeting of March 17, 1989, the Board of Directors of CAP GEMINI SOGETI SA was presented with the Group's consolidated, audited accounts. These 1988 accounts showed a total revenue of FF 5.816 million, an increase of 39.3% over last year, and net profit of FF 402 million, up 43.6%. Profitability rose from 6.7% to 6.9% of reveone, which represents the largest percentage achieved by the Group since its creation in

Per share income was set at FF 88.1 (for 4,570,463 shares at December 31, 1988), as opposed to FF 72.0 a year sgo (for 3,891,890

In addition, the Board of Directors proved the financial statements of the CAP GEMINI SOGETI SA holding company, which showed a corporate net pro-fit of FF 126.4 million as opposed to FF 103.2

million the previous year (or + 22.5%).

At the next annual Regular Shareholders Meeting, called for May 19, 1989, a dividend payment will be proposed of FF 24 per share plus tax credit (against FF 20 plus tax credit in 1988). Taking into account the distribution of one free share for every 10 outstanding shares assigned in June 1988, for former shareholders this represents an increase of 32%. And taking into account the capital increase in

cash (1 new share for every 15 outstanding) realized last November, the overall amount of distributed dividends is up 41% (FF 109.7 million, as opposed to FF 77.8 million the previous year).

Furthermore, the Board of Directors -

within the context of the general authorization granted to it by the Extraordinary Sharehol-ders Meeting of May 15, 1987, to increase the share capital up to a maximum amount of FF 500 million — has decided to proceed on July 3, 1989 to a new share distribution of one free share for every 10 outstanding shares (effective from January 1, 1989).



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S. G. Warburg Group plc

Introduction to listing of 9,347,150 "A" Convertible Deferred Shares of 25p each

Application has been granted by the Council of The Stock Exchange for the "A" Convertible Deferred Shares to be admitted to the Official List and dealings are expected to commence on 6th April, 1989.

Details of the "A" Convertible Deferred Shares are available in the statistical services of Extel Financial Limited. Copies are available for collection from the Company Announcements Office, The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, 46 Finsbury Square, London EC2A 10D up to and including 10th April, 1989 and may be obtained during normal husiness hours on any weekday (Saturdays and public holidays excepted) up to and including 19th April, 1989 from:

S. G. Warburg Group plc, 1 Finshury Avenue, London EC2M 2PA

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

Rowe & Pitman Ltd., 1 Finsbury Avenue, Londoo EC2M 2PA

6th April, 1989

# Strategies translated into profits.

	1988	1987	% Change
Prefit before taxatlen	£198.9m	£151.8m	+31%
Earnings per ordinary share	55.7p	46.7p	+19%
Dividends per	18.0p	15.0р	+20%

Pearson's Annual Report will be published on 19 April 1989. If you would like a copy please write to:

Lleyds Bank pic. Registrar's Department Goring by Sea. Worthing. West Sussex BN12 BDA.

#### UK COMPANY NEWS

Securicor subsidiary earmarks £30m for investment in parcels division

Court should not sanction breach by MB

#### Security Services unveils £51m rights issue

By Andrew Hill

SECURITY SERVICES, the security, communications and parcel delivery company, 51 parcel delivery company, 51 per cent of which is owned by Securicor Group, is to raise 251.1m through a rights issue aimed principally at upgrading and expanding its parcels division in the UK and Europe.

Simultaneously, Securicor is raising £34.3m, £26.4m of which will finance its subscription to the new shares in Security Ser-

Over the next two years, Services has earmarked some £30m for investment in its parcels division, which represents about half of its £381m turn-over. In the UK, it hopes to

Europe's largest packaging group should not be approved by the High Court because the

company had committed a clear, flagrant and admitted breach of its contracts with its

warrant holders, Miss Mary Arden, QC, told the court yes-

Miss Arden was appearing

for Elders Investments, a sub-sidiary of Mr John Elliott's

Elders IXL brewing, farming

and finance group, which is trying to stop MB's scheme for

a £830m merger between Metal-box Packaging, its packaging subsidiary, and Carnaud, the French packaging company. MB is asking the court to

sanction the scheme, which was approved by an over-whelming majority of its share-

Elders holds five per cent of

MB's ordinary shares and a

25.08 per cent blocking minor-

holders on February 24.

By Raymond Hughes, Law Courts Correspondent

PLANS by MB Group to create ity of MB's warrants which

open new collection and sorting terminals, as well as upgrade and computerise existing facilities.

The company will also look for acquisitions and joint ven-tures to expand its European delivery network prior to the introduction of the single mar-

Mr Christopher Shirtcliffe, finance director of both groups, said: "If the barriers truly come down then it will create a snbstantial increase in fast parcel business in Europe."

He said Services also wanted to invest in its communications and security divisions.

entitle it to buy another 1.2 per

The scheme involves a capi-tal reorganisation which MB admits breaches covenants in

its contracts with its warrant holders to keep available suffi-cient unissued ordinary shares

to enable warrant holders' rights to be satisfied, and to use its best endeavours to

maintain a listing for its ordi-nary shares on the Stock

It argues, however, that that is no reason not to sanction the scheme, as it has made pro-

vision to protect the warrant holders. It also claims that

monetary compensation for Elders would be fair, Miss Arden said that the fun-

damental issue was whether the court should sanction a

scheme when to do so would

with someone who was not a

cent of the shares.

Security Services own 40 per cent of the Cellnet mobile tele phone company - 13.3 per cent and 26.7 per cent respectively. Apart from building np the Cellnet subscriber base, Services hopes to develop and expand new communications ventures in vehicle location systems and national and local mobile radio networks.

Services will issue 11.5m new ordinary shares at 450p each, on the basis of two new shares for every 17 held. The balance of the issue not being taken up by Securicor has been underwritten by Lazard Brothers. Securicor is issuing up to 359,331 new ordinary shares at

party to the scheme.

She said that a provision which prohibited a company from effecting certain reorganisations of capital was one of the ways in which the holder of an entire to spheribe for

of an option to subscribe for shares could protect himself. Mr Justice Harman said that

he was worried by the idea that 'I should sit down and say

the court gives its blessing to going ahead and breaking a

contract. It's a very odd thing for the court to do."

that it flew in the face of well-

Mr Justice Harman: "The court is being asked to actively

sanction and make effective a breach of contract. Normally

one is granting injunctions to

would protect warrant holders'

rights by granting an injunc-tion. Since Elders was object-

Miss Arden said the court

restrain breaches of contract."

established practice.

Miss Arden agreed, saying



570p each, and up to 6.64m new non-voting A ordinary shares at 500p each. The group will offer them on the basis of 3.64 new ordinary

ing to the scheme being sanc-tioned the court should approach the matter on the same basis as it would if Elders

same basis as it would it kiners was applying for an injunction restraining the company from making the scheme effective."

The judge raised the question of the timing of Elders, objections. He said that if in

early February it had applied

shares and 87.42 new A thares for every 1,000 ordinary and/or A shares already held. Holders of the 4.55 per cent cumulative preference shares will receive

Surplus cash from the Secur-icor issue will go towards investment in its own motor dealing, vehicle bodybuilding, hotel and employment services

bid talks By Andrew Hill

mouth and District Water

Bournemonth, which is worth about £14m at current

The company, which supplies water to a summer population of 356,000 within Wes-

Biwater, which refused to comment yesterday, already owns 23.7 per cent of Bourne-month and recently hid suc-cessfully for its neighbour, West Hampshire Water Com-

ary, when the Government imposed restrictions on hids for water groups with assets of more than £30m — those lim-its would not affect a life for

# 133.57 new ordinary shares and 2,452.65 new A shares for every 1,000 held.

subsidiaries.
Following news of the issues
Securicor ordinary shares
dropped from 655p to 672p,
with the A shares down from
610p to 582p. Security Services
shares fell 22p to 523p.

#### Biwater and Bournemouth Water in

BIWATER, the large private water contractor, is thought to be in hid talks with Bourne Company, one of the UE's 29 statutory water

market prices, announced yes-terday it had received an approach which might lead to an offer.

early February it had applied for an injunction to restrain the holding of the shareholders' meeting on February 24 on the ground that it was intended to prejudice Elders' rights and breach the warrant holders' contracts it might well have been successful. However, there had been "a bit of delay" and MB had spent "quite a hit of money."

Miss Arden reptied that MB had not "come clean" about its intention to breach the terms of the warrants until February sex Water Anthority's region, would not elaborate on the statement, but may make a further announcement next

pany. The private confractor was the first group to make a bid in the UK's private water sector with an agreed offer for East Worcestershire Waterworks in March 1988, through a joint venture with

Since then, France's three largest water companies have won control of 12 statutory vater companies between

Their investment activity

#### Wilson (Connolly) lifts profits 42% despite fall in house sales

PRE-TAX PROPERS of Wilson PRE-TAX PROFITS of Wilson (Councily) Holdings increased by 42 per cent to £53m last year despits a fall in the number of homes sold by the Northsimptonshire-based househulder.

Turnover rose by 11 per cent to £162m in the 12 months to the end of December, Earnings per share rose 41 per cent from

per share rose 41 per cent from.

13.5p to 19.1p. Mr Mike Robinson, Wilson Compolly's managing director, was one of the first housebuilders to warn early last year that the housing market was overheating. The company was therefore prepared for the slump in house sales that

siump in house sales that occurred in the southern half of the country last autumn.

As a result housing completions were cut to 2,180 compared with 2,500 in 1987. The group had decided as early as February to preserve its landbenk rather than build everything that could have been sold last year and take a bigger profit.

we have always put great emphasis on profits growth and the preservation of our land bank rather than the pur-suit of volume," said Mr Lynn Wilson, the chairman

Dagenham

record £4m

Motors makes

Mr. David Philip, chairman of Dagenham Motors, the Ford main dealer which came to the

stock market a year ago via am £18.2m flotation, yesterday unveiled a £1.78m surge in profits to a record £4.04m pre-

tax for the 1988 year.

The advance was achieved on the back of a £21.68m rise in turnover to £105.81m.

Undiluted samings per share

were 19p (11.69) and fully dituted the figure emerged at 17.1p (10.4p). A proposed final dividend of 8.5p makes a total

Mr Philip said that while

higher interest rates would cause some pressure on new and used vehicle margins, the

increase in the number of Ford vehicles on the road continued to provide an opportunity for

so proving an opportunity for substantial organic growth via the group's service, accident repair and parts operations. He added that the group's commercial vehicle sales operations, had, particular

potential to provide substantial growth in 1999 and noted that profits from the thicken and

time to grow.

The group has seven dealer ships and is actively speking further acquisition opportunity.

surence activities would con-

Total last year

Housing profits, despite lower tales, rose by \$4 per cent to just under 144m. Commercial property a relatively new veniums for Wilson Connolly, almost deabled its contribution to 28.95m. Mr. Wilson said the group was currently working on committed developments which when completed would be worth 125m. These developments included a shopping scheme in Enghance in London and High Wiscombe, Ruckinghamshire and the Indicate purchasers had been stilling purchasers had been stilling to you to was a first white stilling to you to your reservations into completed sales. The housing marginals and sales.

pleted sales. The housing mar-ies in the north of the country however had remained quite

strong.

East year about 63 per cent of house sales by Wilson Connolly were in the Midlands, the north and Wales. At the end of the peer the company had a dand bank of more than 14,100 plots with planning permission, enough for more than aix years work at current production rates.

A final dividend of to fitte makes a total of 30 (20) for the year, a 50 per cent increase. e constant

The strength of Wison Connolly's land bank, much of it
acquired very cheaply years
ago, puts it in a very strong
position no matter which discotion the bousing market takes.
Net margins of more their 40
per cent are among the highest
of any housebuilder. About
half of the company's house
sales last year were in the fast
Midlands and East. Angels
where sales are currently mark
difficult. Monetbeless. Wison
Cosmolly has plenty in reserge
and is easily capable of
increasing completions to
about 2,400 this year. Preparty
profits are starting to come
through which should under
pin future entrings growth giv-

through which should under pin future enricing growth give ing the group even greater flagibility on the timing of profits of taking. A prospective n/e et just over 8 on pre-tax profits of 583m makes it one of the highest rated housebuilders. This rating is fully deserved. The tight market in the shares underlines the popularity of the stock.

#### **Bowater extends offer** By Andrew Hill

BOWATER Industries, the packaging and industrial products group; has extended its hid for Chamberlain Phipps, the shoe components and adhesives group, until April

18.

Evode Group, the plastics and chemicals company which is also hidding for Chamberlain Phipps, has extended its other until April 17.

By the first closing date on Renday, about 12.8 per tent of Chamberlain Phipps' shares.

Bowater offer including 9.7 per cent already owned by the cent already owned by the packaging group.

Evode owns 4 per cent of Chamberlain Phipps and had received acceptances by March 31 representing about another.

2 per cent of the shares.

Chamberlain Phipps has yet to decide which of the two hids to accept. The Evode all share offer is worth about 21sp a.

had been committed to the

offer is worth about 2140 a share Bowater is offering 200 in cash.

#### S Jerome rises 15% to £2.41m

S Jerome & Sons (Holdings). In the textiles and electronics group, talsed pre-tax profits for the 12 months to end December in 15 per cent from £2 in to a record £2 dim. Termover improved by £4.45m to £28.4m. Interest charges rose to £46.60 (£313.90) as a result on the group's chelled sependiture programme. After tax of £732.606 (£354.001), anywings the merged at \$5.50 ffs.70) and a final dividend of 5.20 makes

find dividend of 5.2p makes 7.8p (6.5p) for the year.
Turnover for the opening three months abowed a rise and directors were hopeful that growth would be sustained.

#### M6 paying more on 64% growth

Ms Cash & Carry lifted protex profits by 64 per cent, from £754,000 to £1,24m in 1988. And improved results continued

into the current year.

The profit was generated on turnover sheed just 12 per cent to 280 3/m (271.57m). The company is a USM distributor of food, drieft and mon-food products and provides a delivered trade service to 2879 (7.24p). Harningstrose to 9.87p (7.24p) for a four of Lep (3.8p).
A review of product range and space planning being carried would further improve

#### shareholders on the basis of five for 12 ordinary and/or 20

Quarto tops £2m and makes three acquisitions

QUARTO GROUP, book and magazine publisher, announced record results for 1988, and further expansion via three overseas acquisitions for £6.8m which involves a share

placing.

The group is incorporated in the US and quoted on the USM.
The acquisitions are in the US, Switzerland and Australia, and £6.6m is being raised for the cash element of the initial consideration. Quarto is issning 4.9m shares at 146p, of which 2.9m will be subject to recall by

convertible preference.
Turnover for the year rose 65
per cent to £19.47m (£11.78m), while pre-tax profits moved up

59 per cent to £2.19m (£1.38m).

Earnings reached 14.5p (10.6p) and the dividend is lifted to 4.125p (3.375p) with a 3p final. The US purchase is Brough-ton Hall, which publishes informational directories. The cost is £4.7m with a further profit-related maximum of 23m. Sales in 1988 were \$6.9m and pre-tax profit £1.3m. In Switzerland the group is

paying an initial £1.6m cash for

RotoVision, based near Geneva and publishing applied visual arts annuals, books and other products. Its 1988 turnover was 22.9m and profit £100,000.

of the warrants until February

The hearing continues today.

The Australian acquisition is the business and certain assets of Art Nouvean Publishing for £500,000 cash. It publishes and distributes fine art reproductions. For 1988 sales were £400,000 and profit £100,000.

This announcement appears as a matter of record only

March, 1989

#### SGINDUSTRIES -









£40.000.000 Senior Debt and Revolving Credit Facilities to Fund a Management Buy-In

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**DIVIDENDS ANNOUNCED** 

Notice to	Lombard	Depositor	Į
The following int	erest rates will app	ly from 6th April 1989	_
		militied   Gross equivalent to	

14 DAYS NOTICE Minimum initial deposit #5,000

11.750% | 9.194% | 12.259%

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10-250 8-021 10-694 8-250% | 6-456% | 8-608%

Lombard The Complete Finance Service Deposit Accounts

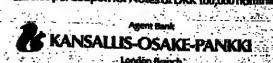
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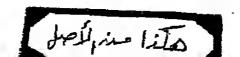
A/S NEVI

DKK 600,000,000 Floating Rate Notes due 1993 Tranche A of DKK 300,000,000

hereby given that, for the three months period, 6th April, 1989 to 6th July, 1989, the Notes will bear interest at the rate of 9.0625 per cent. per annium. Coupon No. 11 will therefore be payable on 6th July, 1969 at DKK 2290.80 per coupon for Notes of DKK 100,000 nominal.



LC INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W OBI Tel: 01-828 7233/5699 An AFBD member Reuters Code: IGIN, IGIC FT 30 FTSE 100 WALL STREET
Apr. 1715/1724 -4 | Apr. 2090/2100 -7 | Apr. 2303/2315 N/C
Jun. 1742/1757 -6 | Jun. 2123/2133 -9 | Jun. 2318/2330 N/C Prices taken at 5pm and change is from previous close at 9pm



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mailer of record only: by In Buy-Out of PRODUSTRIES LTD (18) \$2294 LTD) EFORMENT GROUP PLC pance provided by: AN EURES (Lead Investor) Descionment Capital e Canta Emestina ven droest ments edevelopment Capital insunat investments Ancesan ent lists et Management iane Great Equity Ventures Mezzanine incance provided by: Globic Investment Trust Legal and General Assurance Society Senior Debt-underwritten by: National Westminster Bank PLC Phildrew Ventures structured, led, underwrote and syndicated the financings magement Buy-Outs

# INSURANCE GROUP

The audited Group results for 1988 are as follows:-	1988 £m	1987 £m
PREMIUM INCOME General insurance	2 <i>2</i> 52.2	1,990.2
Long-term insurance	859.6	764.7
	3,111.8	2,754.9
General insurance underwriting result	58.7	(107.7)
Long-term insurance profits	34.0	30.0
Investment and other income	279.7	249.2
PROFIT BEFORE TAXATION .	372.4	171.5
Taxation	110.3	40.9
PROFIT AFTER TAXATION	262.1	130.6
Minority interests	10.4	9.7
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	251.7	120.9
DIVIDEND	80.9	61.2
PROFIT RETAINED	170.8	59.7
EARNINGS PER SHARE	127.6p	61.3
DIVIDEND PER SHARE	41.0p	31.0

#### TERRITORIAL ANALYSIS OF GENERAL INSURANCE RESULTS

	1988	10,000	1987	1
	Premium Incume £m	Under- writing result £m	Premium Income £m	Under- writing result £m
United Kingdom*	1,429.2	92.5	1,211.3	(100.3)
Europe**	295.0	(9.7)	308.6	(16.2)
U.S.A.	227.9	3.4	216.D	14.3
Canada	130.9	(4.2)	104.7	2.0
Australia	70.7	(2.9)	52.0	(5.3)
Other overseas	98.5	(20.4)	97.6	(2.2)
*including international business written in the U K **including Republic of Ireland	<b>2,252.2</b>	58.7	1,990.2	(107.7)

The Group's net assets at 31st December, 1988, excluding the value of long-term business, totalled £2,103m, (1,066p per share). The solvency margin was 93.3% (1987 - 85.1%).

The Directors have resolved to declare at the Annual General Meeting on 17th May, 1989 a total dividend for 1988 of 41.0p per share (1987 - 31.0p) - an increase of 32.3%. An interim dividend of 15.0p per share was paid on 1st December, 1988 and the final dividend of 26.0p per share will be paid on 1st July, 1989.

As announced in October last, the Board intends to seek the approval of shareholders for the establishment of a Non-Insurance Holding Company, It is proposed that four shares in the new company will be issued in exchange for each share currently held and that provision be made for a scrip dividend option. The proposals will be submitted to Meetings to be held immediately after the Annual General Meeting and it is anticipated that the appropriate documents will be posted to shareholders later this month together with the Report and

The above statement is a summary of the year's results. The full audited Report and Accounts will be posted to shareholders on 24th April, 1989 and delivered to the Registrar of Companies after the Annual General Meeting.

#### SUN-MALANGE AND LUMBON RISURANCE NO

Head Office: 1 Bartholomew Lane, Londoo EC2N 2AB

#### London & Scottish Marine Oil PLC

has sold 25.2% of

#### **Enterprise Oil plc**

to

#### **Aquitaine UK Limited**

a subsidiary of

December, 1988

#### Société Nationale Elf Aquitaine

We acted as financial adviser to London & Scottish Marine Oil PLC.

**Goldman Sachs International Limited** 



UK COMPANY NEWS

#### Lec rises 29% but hits problems over CFCs

THE WELTER of publicy in recent months concerning chlorofluorocarbons and the possible adverse effects on the environment of their use in refrigeration systems has led Lec Refrigeration to warn of "depressed turnover" in the first quarter of the current

The group, based in Bognor Regis, West Sussex, yesterday unveiled a 29 per cent increase in taxable profits from 23.48m to £4.5m for the 12 months to end-December 1888 on turnover virtually unchanged at £56.12m (£56.23m).

ing satisfaction over the "encouraging" outcome and continued improvement in margins, said that recent pub-licity about CFCs and the effect of statements about alternatives for refrigeration — "not yet available or proven" according to the board — together with cheap

and high interest rates, had "depressed turnover substantially" in the first quarter.

The tax charge took more at £1.64m (£1.31m), leaving earnings per share 31 ahead per cent at 47.27p (36.08p). The total dividend for the year is lifted to 14.5p (13.5p) via a proposed final of 10.5p.

#### **BET** acquisition

The directors, while express

imports from eastern Europe and high interest rates, had chant bank.

BET has paid £300,000 for Suffolk Electrical Rewinds, an electric motor repairer. Consideration is 90,602 shares and £59,000 cash.

#### Cash-rich Dewey moves £4m back into the black

DEWEY WARREN Holdings, the USM quoted group which started 1988 as Mr Robert Holmes à Court's investment vehicle and ended if as a contrict shell company, abowed pre-tax profits of £4.00m during the year, recovering from losses of £29m in 1987.

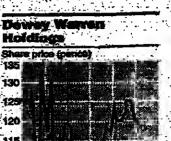
But an extraordinary provision of £4.60m against the sale to D G Durham Group of

sion of 22.5am against the sain to D G Durham Group of Dewey Warren & Company, the original Lloyd's insurance broking subsidiary, again drove Dewey into the red at the attributable level. No dividend was recommended.

Other than substantial cash other than sabstantial catal reserves, the group's chief-asset during a turbulent year has been its 5.6 per cent stake in Morgan Grenfell, the mer-

hr banking group.

Mr David Hart, finance director of Dewey, said yesterday that the stake would not be sold to any buyer with hostile. intentions towards the mer-



Nov'86 Jan 1989 Apr

ple who have approached us, but we are not prepared to let the (Morgan) shares go at stupit prices," he added.

Control of Dewey changed hands twice during the year. In June, Mr Holmes a Court, the Australian financier hit by the

on Bell Group to fellow Austra-lian Mr Also Bond, and with it 2 31 per cent stake in Down, which was recovering from a series of disastrous arbitrage investments made just before

Robert Fraser Group, the pri-vately-owned financial services business, bought most of that stake from Mr Boud in Decemher, and Dewey simust immediately launched a \$23m agreed cash hid for the quoted financial services company, Argyle

Last month, as expected, Dewey mounted an all-share hid for Robert Fraser. Mr Colin Emson, chief executive of Fraser and now chairman and chief executive of Dewey, wants to build the former insurance broker into a broadly-based financial services

group. Dewey's turnover during 1988 rose from £3.91m to £8.29m and earnings per share were 4.6p, compared with a loss of 113.9p.

#### British Dredging surges over £3m

BRPTISH Dredging reported repairing £104,000 (loss pre-tax profits ahead by 59 per £167,000).

cent, from £1.94m to £3.08m, in Mr Fane Vernon, chairman, 1988 on turnover increased said that 1989 had started well.

from £18m to £81.6m. Operating profits profits doubled from £1.47m to £2.97m with builders merchanting con-tributing £922,000 (£282,000), the supply of marine aggre-gates and concrete products £1.95m (£1.36m), and ship

36 per cent to £1.47m in 1988. Turnover expanded from

217.69m to £18.96m.

Mr Fane Vernon, chairman, said that 1860 had started well with exceptionally favourable weather and the profit for the first quarter was "well above" that of the previous year.

He said the aggregates side had performed well and was able to satisfy an increasing demand with two dredgers

instead of three, bringing con-siderable benefit to costs and

profit margins.

Mr Vernon has handed over day to day running of the group to Mr Michael Brown, the managing director, who has become chief executive.

Earnings were 12.9p (7.32p) and the dividend is increased from 5p to 6p, with a final of

#### News Digest

#### ROCKWOOD Turnover more than quadrupled

Rockwood Holdings, the acquisitive USM-quoted distribution group, yesterday announced pre-tax profits up 83 per cent from £1.04m to £1.9m for 1988. Turnover rose more than

four-fold to £109.75m (£19.9m) and after tax of £256,000. ... (£280,000) and an extraordinary credit of £1.76m (ml), earnings per 10p share were left at 5.09p (S.02p). A final dividend of 0.45p makes a total 0.75p (0.4p).

Mr Tom Forrest, chairman, said the group had now completed the task of forming and integrating its UK distribution network and was now the UK's largest international freight distributor.

#### MAGNOLIA Pictures growth

after purchase Magnolia Group (Mouldings). the importer and manufacturer

Heiton Holdings, Dublin-based steel stockholder, and builders' and timber merchant, is to raise 123.8m (23m) via a rights issue on a 3-for-10 basis at 58p

Rights issue

to raise I£3.6m

per share. Holders of the convertible second preference have agreed

to early conversion and to participate in the Issue. Directors said proceeds will be utilised to reduce of picture frame mouldings, reported pre-tax profits ahead be trinised to fend £1.7m; of new investment in the UK. They forecast pre-tax profits of not less then £1.8m in the 12 months to and April 1988

The outcome was struck after exceptional credits totalling £371,000 arising from the sale of warehouses in . the sale of warehouses in
Edinburgh and Stoke
Newington, London.
The £1.6m purchase of
Solomon & Whitehead last
November took Magnolia into
picture print publishing. The
directors said that although
this had a minumal impact on
profile during the paried it - an increase of 44 per cent over the previous year, and a final dividend of Lap which would make a total of Lap (1p) for the year.

KINGSTON OIL & GAS: profits during the period, it has been successfully integrated and should Marginal rise to \$551,905 contribute during the current

Earnin worked through at 19.31p (12.16p) and the recommended final dividend is lifted to 3.45p Ohio based oil and gas production, development and operating group, reported a modest rise in pre-tax profits for a 5p (4.45p) total.

from \$539,443 to \$551,905 (£325,000) in the six months **HEITON HOLDINGS** to December 31 1968.

Earnings per share were lower at 4.28 cents (4.82 cents) but the interim dividend is 0.7425 cents (0.88625 cents) or0.4125p (0.375p). Kingston has entered into a joint venture with Greenland

Petroleum to drill certain areas in the Beres formation in Ohio. Kingston will benefit from a contract with Teras Eastern to sell gas at \$6.66 per 1,000

cu.ft. compared with the average price in Ohio of \$2.50. The company's year end is being changed to December and the next audited period will cover the 18 months to December 1969

#### A BECKMAN Downturn to £692,000

A disappointing return from its textile activities left A Beckman with pre-tax profits down from £979,000 to £692,000 for the six months to end.
December, Turnover declined from £7,95m to £7,52m. The textile division experienced a £1.44m downturn in turnover to £5.45m and a. profits fall of £300,000 to

£221.000 The group's other involvement, property investing and development, continued to expand. satisfactorily.

Earnings for the six months fell to 4.3p (6.2p) but the interim dividend is being held at 1.95p.
A one-for-five scrip issue is being proposed, along with plans for the group to purchase up to 1.22m of its own shares, some 10 per cent of the issued

capital following the scrip

#### Allied Irish Banks, p.l.c.

has acquired

#### First Maryland Bancorp

We acted as the financial adviser to Allied Irish Banks, p.I.c.

Goldman, Sachs & Co.

dolpin lito

#### **UK COMPANY NEWS**

# The astonishing rapid ascent and decline of Tony Berry

Vanessa Houlder goes behind the scenes for the final round of the boardroom battle for control at Blue Arrow

ESTERDAY'S as shareholders pointed out at announcement that the tenacious American Mitchell Fromstein had taken It is indeed hard to imagine the the chairmanship from the impulsive, urbane Tony Berry marks the end of an era for

It also appeared to be the final chapter in the astonishing rise and fall of Mr Berry – the speed and drama of which is matched only by the fall and rise of Mr Fromstein.

Mr Berry's departure is seen by some as the inevitable con-clusion of perhaps the ultimate. folie de grandeur of the bull market. The audacious \$1.3bn market. The audacious \$1.30n (£734m) takeover of Manpower has been dogged by strife and disappointing profits. Meanwhile, the fall-out from the flopped rights issue that financed the deal has damaged the profits and reputation of several City houses, leading to an inquiry by the DTL. inquiry by the DTL

Now shareholders have a new catalogue of concerns which include doubts about the effectiveness of the strifetorn board, the recoverability of a mysterious £25m loan and the strength of the company's

 $\mathfrak{t}\mathfrak{Z}_{m}$ 

រូបអនុវេ**មប**្រ

The make-up of the board is,

smooth workings of a board that first ousted Mr Fromstein last December and then just one month later, rejustated him and stripped Mr Berry of his executive duties.

Some observers feel that fur-ther resignations from the Blue Arrow board are inevitable. Indeed, there was some suprise that Mr Berry was willing to resign without dragging some of his tormentors behind him.

In particular, a question mark remains over the future of Mr John Sharkey, who joined the group last December from Saatchi & Saatchi. On Monday, shareholders refused to re-elect him after it was disclosed that he was paid £220,000 to relinquish his exec-utive duties. But although it was Mr Fromstein who terminated his contract as an executive, he was unreservedly behind Mr Sharkey at Mon-

In the event, the only other board member to leave yesterday was Mr David Atkins, depchairman. Mr Atkins, a life long friend of Mr Berry, also



Tony Berry - the outgoing

lost his executive powers in January's putsch.
Shareholders are also concerned about a lack of execu-

tive management. As one sharebolder put it, at the annual meeting at the Savoy on Monday: "It strikes me as an anomaly that a company can operate with only two

executive directors where one spends just 26 weeks in the UK".

ment of Mr Gilbert Palay, exec-utive vice president of Man-power as a director. But in any case, Mr Fromstein, who splits time between the UK and the US, believes that the best decision makers are the non-executive directors, who should be in the majority on

Yesterday's reshuffle has only served to underline the suspicion that Mr Fromstein has achieved a reverse takeover, with the Manpower executives holding the reigns of the enlarged group. Is this, some analysts wonder, a prelude to an eventual shift of the company's base to the US?

This speculation has bee fuelled by a recent apate of transatiantic huying of Blue transatiantic huying of Blue Arrow's shares. After Harris Associates, a Chicago-based investment group thought to be friendly to Mr Fromstein, disclosed a 6 per cent stake on Tuesday, US investors are believed to own about 30 per cent of the commany's shares. cent of the company's shares. But even the enthusiasm of

US investors for Blue Arrow's

shares may be blunted by Mon-day's revelation that nearly a third of this year's profits may have been put at risk. This followed from the disclosure that there were doubts about the recovery of a mysterious £25m

The company has refused to disclose any details about the loan, which appears to have been made between three and five months ago. However, Mr Berry has denied that the loan was made to him. In addition, was made to him. In admirion, a spokesman for the America'a Cup yacht competition – another rumoured recipient – has denied any knowledge of

the loan.

Whoever the recipient of the loan, its existence is yet another unwelcome distraction from the task of running the businesses. Ironically, bowever, that task seems the least problematic element of Mr Fromstein's role. The underlying businesses are performing ing businesses are performing well, according to James Capel, the company's brokers who forecast profits of £82m for the year to October 31.

If Blue Arrow achieves this, it will he a respectable improvement on last year's result of £75.1m. However, it is nowhere near the kind of fig-

ure that was expected at the time of the takeover. these inflated expactations

were largely due to a lack of realism by management and analysts. He argues that there were no obvious synergies power and Blua Arrow "hrands". Furthermore, he insists, Manpower, a temporary placement specialist, would not benefit from the much vaunted move into the permanent jobs market since this was less durable in the face of an economic downturn. Mr Fromstein's qualified enthusiasm for the merged

group is not entirely suprising in view of the strong fight he put up when Blue Arrow made its daring bid in the summer of 1987. His reluctant agreement, based oo the promise of operat-ing autonomy, was withdrawn when Mr Berry tried to exert his control

That led to Mr Fromstein's ousting in December which was swiftly followed by a revolt by the Manpower franchisees. That in turn, paved the way for Mr Fromstein's instatement as chief executive in January, at the expense of

140

The events of mid-January were a hitter blow for Mr Berry, who, in the space of just three years, built up Blue Arrow from an obscure, lossmaking USM company into the largest employment agency in

His extraordinary success was built oo a flair for deals that led to a series of acquisitions, including Hoggett Bowers, the beadbunters, and Brook Street Bureau. Until the Manpower deal started to unravel, it appeared that he could do no wrong.

What will the future hold for Mr Berry? He has said he is considering a oumber of execu-tive and non-executive positions. Furthermore, he is considering assisting in the buy-outs of Trevor Bass Associates, the financial public relations company, and Blue Arrow Business Travel.

Mr Berry has proved his ahility to turn persocal defeat to

his advaotage. His achieve ments at Blue Arrow followed his dismissal as finance director of Brengreen, a cleaning company in 1981. And although on Monday, he said he had no stomach to start again from scratch, he is not yet 50 and he still gives ao impression of energy and enthusiasm.

So Mr Berry may yet bounce back. But it may be hard to overcome the bumiliation of yesterday's hasty departure from the company.

On Monday, Tony Berry was still able to boast that he was winning two to one. "I did the original deal, I got him out and he got me out..."

Tuesday night, his quiet departure from Blue Arrow's offices into the driving rain seemed to strip him of even that consolation.

#### Plessey trims investment in light of bid threat

By Terry Dodsworth, Industrial Editor

PLESSEY'a aemiconductor record demand and profits over the last three months, and was enjoying continuing huoyant conditions in the current three

months, Mr Dong Dunn, managing director, said yesterday.
Mr Dunn added, however, that the prospect of a renewed takeover bid for Plessey from the General Electric Company and Siemens of West Germany had put a hlight on new investment in the group. Essential projects were going ahead, he said, but he had trimmed back other expenditure because of the uncertainty and cost of

fighting the takeover battle.

Mr Dunn's comments come only a few days before the Monopolies and Mergers Com-mission is expected to send its report on the original GEC/Siemens offer to the Department

of Trade and Industry. He said that the MMC had shown great interest in Plea-sey's chip division, which is the only substantial British owned semiconductor com-pany. The Commission, he added, had considered both the chip company's position as a.

there would be no trade imbal-

ance," he said. Mr Dunn conceded that a takeover by the GEC/Siemens combina might open np a much larger internal company ductor activities if the com-pany could sell to Siemens as well. But he said that the balance of advantage was against the bidding consortium. Sie-mens, he argued, had not made its intentions clear towards the chip operations, and it was likely the business would be caught like an unwanted stepchild between the two parents.

W&R Jacob falls

W&R Jacob, the Dublin-based iscuit manufacturer, reported sharply lower pre-tax profits of 1£505,000 (£424,000) for 1988 compared with £2.52m.

The result was struck; however, after an exceptional debit of £2.14m (nH). Turnsyer was £61.14m (£52.96m) and generated operating profits little changed at £2.77m (£2.79m). Excluding the exceptional item, earnings emerged at 20.9p, and after the exceptional supplier to the Plessey group and its significance in the Brititem, at 1.1p (28.9p). The proish high technology sector.

"If every British company" at total of 8.8p (8p).

#### More strength than meets the eye

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than meets the eye.

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US\$400,000.000 Undated Primary Capital Floating Rate Notes

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Determination period from 6th April, 1989 to 8th May, 1989 the Notes will carry interest at the rate of 10% per cent. per annum.

Interest accrued to 8th May 1989 and payable on 6th July, 1989 will amount to US\$94.44 per US\$10,000 Note and US\$944.44 per US\$100,000 Note.

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NOTICE IS HEREBY GIVEN to Noteholders that copies of the 1988 Annual Report of DBS Bank will be available from 10 May 1989 at DBS Bank London Branch, 2nd Floor 19/21 Moorgate, London



# THE TEAM ON THE MOVE

Taylor Woodrow Group, 345 Ruislip Road, Southall, Middlesex UB1 2QX

Supporting Free Enterprise

This information, for which the Directors of Taylor Woodrow plc are solely responsible, has been approved by Touche Ross & Co., who are authorised to carry out Investment Business by the Institute of Chartered Accountants in England and Wales.

#### **COMMODITIES AND AGRICULTURE**

#### Water pollution by UK farmers reaches record

By Bridget Bloom, Agriculture Correspondent

POLLUTION OF water courses by British farmers reached record levels last year while prosecutions fell, according to a report published jointly yes-terday by the Water Authori-ties Association and the Minis-

try of Agriculture.

The ten water authorities in England and Wales confirmed a total of 4,141 farm pollution incidents in 1988, a rise of 6 per cent from 1987. But prosecu-tions dropped by 34 per cent, from 225 in 1987 to 148 in 1988. According to the report, the major source of farm pollution involves dairy and beef farminvolves dairy and beef farming, although pig production runs a close second. Major pollutants are farm slurry, which is 100 timea more polluting than human sewage, and silage, the animal feed derived from grass. Silage liquor is up to 200 times more polluting than sewage, the report notes.

The new farm pollution figures, reinforcing a trend noticeable for a decade, comes at a sensitive time, with moves within the European Commu-nity to control such pollution gathering pace and the bill to privatise Britain's water sup-

Mr Richard Ryder, parlia-mentary secretary at the ministry, said yesterday he was "dismayed" at the figures. It was "the duty of every farmer was "the duty of every farmer
to comply with the law and of
the water authorities - soon
the National Rivers Authority
- to enforce it," he said.
Mr Ryder said that all sections of the farming community must take the pollution
threat more seriously. The

threat more seriously. The Government would fully support the new NRA - to be created once water is priva-tised - "in taking action against the minority who hy their recklessness persist in damaging the environment and the reputation of the British farming industry."

Dr David Clark, Labour's

agriculture spokesman, described the new figures as alarming - they gave the lie to the Government's contention that river pollntion was falling, he said. The environmental group Friends of the Earth drew attention to shortage of staff in the water authorities as part of the rea-son for falling prosecutions. The report indicates that five

authorities - North West, Sev-

ability of nearby raws, the tightness in whites and the

overall supply deficit ahould

maintain volatile trading con-

ditions with sharp price gyra-tions testing previous peaks

and ultimately pushing values

ern Trent, South West, Welsh and Wessex – were responsi-ble for nearly 80 per cent of the incidents. These are broadly the areas of greatest rainfall and greatest concentration of dairy and beef farming. Although the law provides

for polluters to be prosecuted, with fines of up to £2,000, fines have averaged only some £300 in recent years. The government approach has been to persuade rather than force farmers to comply with good environmental practices; to this end it recently announced £50m in grants for farmers to instal new shrry and silage

controls.

Mr David Naiah, deputy
President of the National
Farmers' Union, yesterday
regretted in increase in pollution. It was clear that the new
NRA would not put up with
incompetence by farmers. However, he noted that farm pollution accounted on average for
only a fifth of all water polluonly a fifth of all water pollution in Britain Water Pollution from Farm Waste (England and Woles)

1988 Water Authorities Association 1. Queen Anne's Gate, London SWI £4

world market price, the Ghanaian industry is on the road to

recovery.

The Government of Fit Lt
Jerry Rawlings identified the

### Ghana stirs fresh life into cocoa industry

William Keeling on efforts to revive the country's biggest foreign exchange earner

RESSED IN blue overcoata and trousers, with wellington boots to guard against snakes, a dozen women from the Bonso seed garden in Ghana walk between the trees that they are trained to hand-pollinate. Six months later each tree is burdened with up to 200 ripe yellow pods of a new high yielding cocoa variety, known simply as C75, whose ancestors were the Alemonado and the Amazon.

The seed garden's aim is to provide the hybrid plants necessary for the successful rehabilitation of the nation's premier industry.

Chana grows the finest cocoa in the world, but despite

this advantage and the crop's this advantage and the crop's central importance to the national economy — cocoa exports account for about 60 per cent of foreign exchange earnings — the industry has suffered since hitting a production peak of 600,000 in the 1964-65 season.

Production fell to 159,000 tonnes in 1983-84 with the

tonnes in 1983-84 with the world market share collapsing from 50 per cent to about 10 There are signs now, how-ever, that, despite the tumbling

Ghanas Cocoa production Thousand tonnes 280 260 / 220 1978/9

root of the malaise in the fail-ure to give the farmer a fair percentage of the world market price for his crop. Farmers had cut back on cocca plantings from 3.8m acres in 1972 to the present 1.8m.

The decision, taken in 1982, gradually to raise the share of the world market price paid to the producer (from 30 per cent then to the present 50 per cent) has meant that despite the commodity's recent price fall the real earnings of Ghanaian farmers have risen consis-

The estimated production figure for the 1988-89 season shows a dramatic improvement at 305,000 tonnes, up more than 60 per cent in a year. An actual production

tonnes; sorghum, down 40 per cent to 1.9m tonnes; and soya-

beans, down 21 per cent to 7.8m tonnes.

including meat and related products, account for almost 80

per cent of Argentina's foreign earnings, and the serions effects of the persistent drought will undonbtably add to the country's balance of pay-ments problems.

In Fehruary this year an

independent agricultural ana-lyst, Mr Eduardo de Zavalia,

estimated grain export earn-

not only damage farmers, but

Agricultural products.

increase has resulted from the first harvest of the new hybrid trees, but there has also been an apparent rise caused by the cessation of smuggling into the neighbouring Ivory Coast, where more attractive off-farm

where more attractive off-farm prices were available. This used to reduce the Ghamian output figure by some 30,000 tonnes each year.

Mr Kwame Ownsu, chief executive of Cocobod, Ghama's state-owned marketing board, explains that the withholding policy being operated by the Ivorians in protest at low world prices meant that they were not finding it easy to pay the farmers and because of pay the farmers and because of that the smuggling was not

Typical beneficiaries of the Typical beneficiaries of the new policy are the villagers of Birismo, in the central region, who were completing their harvest last month.

With knives strapped to long poles the men reach into the canopies and slice the pods free — the women use machetes to cut those in easier reach. Meanwhile children source in the crass beging the

scurry in the grass heaping the pods into wide wicker-baskets. Cocoa farming is a family affair, but despite the real price received being raised it fails to provide a secure income. The grandmother of one harvesting group, Mrs Eli-zabeth Marku, says, "I feel that it is better than some years ago when the cocoa price was very low." She has more money to spend but, "now commodities are so expensive."

A secondary failing within the industry was the structure of the Cocobod. Numbers of the Cocobod. Numbers employed grew from 22,000 in 1984 to over 100,000 in 1985 and when the pay-roll was investigated over 15,000 of these were found to be "ghost" workers, employees who did not exist or were long since dead. The Cocobod has already trimmed its staff to 44,000 and is busy ridding itself of its unprofitable subsidiary plantations. Forty have been given away to recently-created district recently-created district assemblies and of the 52 remaining 12 have aiready

been sold.

With proper management the plantations may be turned around, as has been shown by Valley Farms, the only cocoa company involving foreign investment. Critically it has been given permission to sell direct onto the world market and a French agency is currently negotiating to buy its production at 30 per cent over the world market price.

Mr J.W. Wilson, managing-director, explains that "the key word is quality, with the new hybrid cocoa and with the new pricing system it should

been sold.

pricing system it should become attractive for other foreign investors."
The rationalisation of the

structure of the Cocobod and the fair remuneration of the fair remuneration of the farmer may not alone be sufficient to provide for a fiexible and competitive industry. The dominant nature of the Cocobod is attuned to the era of state-ownership from which the Government is trying to free itself in the drive for foreign investment. With overheads of the organisation hovering at 30 per cent of the total heads of the organisation nov-ering at 30 per cent of the total value of sales. Mr Ownsu-revealed that the "whole set-up of the cocca-industry is being reviewed." A study group led by Dr Kwamena Erbynn, chief executive of the Ghana investment Centre and a former executive director of the Inter-national Cocoa Organisation, is concentrating on proposals for a far-reaching privatisation of the industry with a further cut-back in the size and functions of the Cocobod.

structure of the Cocobod and

In a clearing by Birimso, meanwhile, Mrs Elizabeth Marku organises her group to remove the beans from their pods. Piled in mounds they are wrapped in plantain leaves to ferment for six days before being sun-dried. But while on the ground the process remains reassuringly simple and unchanged, over the heads of the villagers the mechanism for marketing their crop is undergoing systematic re-vi-

#### Sugar 'could hit fresh peaks'

SUGAR PRICES could be pushed above the recent peaks if further buying appears from China, Venezuela or the Soviet Union, according to E.D. & F. Man's latest sugar market

report.
Given the essentially tight supply and demand balance, the market is particularly sus-ceptible to upward jolts on any evidence of physical offtake, says the report. Man estimates a total supply deficit of 660,000 a total supply deficit of 660,000 Czarnikow, in its Sugar tonnes this year.

The report notes that speculation about the Soviet Union,

Cuha and swaps took the nearby contract in New York to a peak of 13.05 cents a lb during trading on Monday.
"Despite the apparent avail-

#### Queensland cane suffers in cyclone

higher."

By Chris Sherwell in Sydney

THE POWERFUL cyclone which hit Queensland's coast on Tuesday has destroyed 10 per cent of the cane crop in the important sugar-growing area of the Burdekin River delta, but the loss of revenue to growers and millers is less than initially feared and seems likely to have negligible impact on the world market.

closely monitored because Australia is one of the world's largest raw sugar exporters, selling 80 per cent of its annual pronamed Aivu and bringing winds of up to 200 km per hour, quickly rendered Burdekin a disaster area.

But yesterday CSR, Australia's most important sngar company, said the loss of revenue to the district because of crop damage was about A\$20m (£9.6m), of which its own share

would be some A\$7m.

The company added that pre-tax earnings of its four sugar mills in the district, which suffered another be reduced by up to A\$5m.

According to the Queensland Cane Growers' Council, a further As6m was likely to be lost from reduced sugar content in salvaged cane. It put structural damage to farm buildings at another A\$30m.

The amount of sugar cane

the potential for Chinese buying, with a substantial require ment for the third quarter still

in the long term, Czarnikow says, China will continue to need sizeable imports even if the projected large gains in production are attained. Consumption has been officially acknowledged at above 7m tonnes last year after rising by 500,000 tonnes a year since 1982. The current crop is unlikely to exceed 4.8m tonnes from both beet and cane, Czar-

tonnes of sugar.
Before the cyclone struck the coast near the town of Ayr, the Burdekin district was expect-ing its largest crop ever of 4.5m to 4.6m tonnes of cane. And ontput should still only beslightly less than the previous, record crop of 4.1m tonnes. Experts pointed out yesterday that, because much of the cane in the area was already wet and standing in soft

ground, it simply bent flat in the strong winds. Had the area

heen dry recently, the cane

might have snapped, wrecking

m, 93.7% purity (\$ per torme)

1990-5

2035-40

1803-8 1697-6

578-61 562-6

it altogether.

involved is reckoned to be

some 400,000-450,000 tonnes, equivalent to around 60,000

# Argentina after drought

By Gary Mead in Buenos Aires

MR GUILLERMO Moresco. from last season to 4.8m head of the Argentine Grain Board, has given a further gloomy prediction of this year's harvest, following one of the country's most serious droughts in recent years.

Mr Moresco said that "The

severe drought impeded the harvesting in many areas where crops, particularly maize, did not grow properly," said Mr Moresco. "Because of the drought the total harvested area fell by almost 9 per cent in comparison with 1987-88." He added that the total sown area of 18.3m hectares, down by 4.8 per cent compared with 1987-88, was the lowest for 20

First reports of severe losses caused by the drought came through early this year, but Mr Moresco's statements are the most recent expert analysis. Initial forecasts had put the total Argentine harvest at 38.5m tonnes, but that estimate was reduced to 29.8m tonnes in February this year. Mr Moresco is now suggesting that the total harvest will be as low as 27.7m tonnes, or 25 per cent less than last season.

High/Low

1820/1817

ings for 1989 at \$3.5m. How-ever, the latest estimates from the Argentine Grain Exchange suggest a final harvest total

1815-20 1706-8

some 2m tonnes less than that assumed in Mr Zavalia's report. The net effect of the loss may mean that Mr Zavalia's estimate of \$3.5bm will tumble further to \$3.25bn. vest front is bound to alarm a Government already facing a plethora of economic problems Any further deterioration in harvest prospects - such as heavy rainfall in April, as Among the crops most seri- experienced in 1987 - would ously affected are maize, fore-

cast to fall almost 48 per cent the country as a whole.

**WORLD COMMODITIES PRICES** 

(Prices supplied by Amalgameted Metal Trading)

AM Official Kerb close . Open Interest

2005-10

Ring turnover 18,375 tonne

Ring turnover 29,960 tonne

29,617 lots

70,506 lots

Ring turnover 0 mas

# Harvest gloom deepens in Granite builds on its strengths

By Jim Jones in Johannesburg

THE PROBLEMS of Europe's cathedrals are welldocumented as centuries-old fahrics crumble under the attack of acid rain and air pol-lutants. But it is not just old buildings that are under stress; many erected in the post war boom are simply wearing out as more and more feet transp across their comparatively soft marble floors and their marble

walls are eaten by acids.

Marble is easily shaped and
was acceptable for floors and walls of offices and public buildings in the decades following the war. But development of new cutting tools which can cope with harder stones has helped to oust marble as the preferred cladding for the walls of modern high-rises.

Granite has taken over almost imperceptibly and more than one third of the high-quality hard stone traded internationally comes from quarties in the Transvall and the black howeland of Borthutheters and

These days granite has become the generic name for a range of hard stones with varying chemical compositions. Most granite used in non-decorative applications - kerb stones or walls for example is mined domestically. Appearance is immaterial and almost

any old hard rock will do. Internationally traded decorative stone is another matter. It has to look good and needs to be free from cracks and

to be free from cracks and faults. It must be available in fairly large sizes and he of a consistent quality.

Italy is the largest importer. As demand for marble has faded, Italian stonecutters have switched to processing harder, imported materials. The country imported about 750 000 try imports about 750,000 tonnes of granite a year and exports over 1.5m tonnes of polished granite and marble. Since the early-1970s demand

Since the early 1970s demand for granite has grown dramatically. In the early 1960s when city building was booming, the world used about 15m tonnes of dimension stone (marbles, granites and so forth) each year. Of that, about a fifth was granite. By the early 1960s, according to Balian statistics, consumption was about 23m tonnes of which 12.8m was marble and 8.3m granite.

South Africa's largest exporter estimates the world now uses 25m to 30m tonnes of dimension stone, more than 60 per cent of it granite. Figures are notoriously imprecise, but at present about 5m tonnes of raw dimension

stone are traded internation-

ally. About two thirds of the total is granite and, of that, about 750,000 tonnes, worth almost R500m (about \$200m) is black granite which originates

in South Africa. Ten years ago South Africa's annual granite exports were about 150,000 tonnes and pro-ducers expect them to rise to at least 1m tonnes in 1990. Mr Keith Bright, a mining analyst with Johannesburg stockbroker Frankei, Kruger, has no doubt about the reason for the growth. "South Africa is a reli-able supplier, its quarries are mechanised and it has the railways and port facilities to deliver regularly to foreign

Quarries in India, a major competitor in the Japanese market, lack equipment and cannot always produce sized stone of guaranteed quality, Mr Bright, believes. The same often goes for Brazil. One South African producer

with quality hy saying raw granite is sold with the understanding it will be replaced if flaws when blocks are sawn: That is a realistic approach as four fifths of the value of the final product comes from cutting and polishing.

3.8

#### LONDON MARKETS

ALUMINIUM prices on the LME yesterday maintained by the close a morning breakthrough above \$2,000 a tonno. Three-month metal added \$28 to \$2,009 a tonna - the highest leval since March 15 - and traders said the new lovel signatied further gains lo today and a possible run up to \$2,100 a buying and shortcovering supported the market throughout the day and absorbed a good voluma of trade selling and profittaking, they said. Meanwhila cocoa prices lall, with tha second position contract closing below £800 a tonna. Dealars said tutures

appeared to be reflecting the approaching peak of greater seasonal supply from producer countries. "The next law months' supplies look very and and oparators are already trying axpected tall in prices." ona said.

Crude oil (por barrol FOB)		+ 01 -
Dubai	\$18.12-6.17z	
Stort Blend	\$19.65-9.75q	
W.T I I1 pm est)	250 53-0 585	-0.10
Oil products (NWE prompt dollwary per t	onno CIF)	+ 01
Premium Gasolino	\$266-268	+1.5
Gas Oil	\$162-164	
Heavy Fuel Off	\$93-95	
Nuphtha	\$179-180	- 10
Potroloum Argus Estimates		
Other		+ or -
Gald (per tray oz)	5383.25	-3.75
Sliver (per trey az)	582c	-2
Piolinum (per troy oz)	5521 90	-9.85
Pelladium (per troy oz)	\$158.50	+ 1.00
Aluminium (free market)	\$2005	+40
Copper (US Producer)	132 3-138c	-45
Lead (US Producer)	37 5c	
Nickel (froe market)	635c	+5
Tin (European iree market) Tin (Kugia Lumpu: market)		-45 -0.05
Tin (New York)	439.25c	-0 05 -2 25
Zinc (US Prime Western)	90,70 478.52C	-2.25 -5
Cattle (live weight)†	114.68p	
Shoop (dead weight)1	234.96p	
Pigs (livo weight)1	79.73p	
London daily sugar (raw)	\$302.4v	- 12.6
London daily super (white)		- 1Q.Q
Tete and Lylo export price	£289 5	-7.5
Barley (English feed)	Unq.	
Maize (US No 3 yellow)	£133u	
Wheat (US Oark Northern)	C126v	
Rubber (spot)♥	59.00p	+0.5
Rubber (May) 🖤	87.50p	+0.5
Rubber (Juni 🖤	67 75p	+0.5
Rubber (KL RSS No 1 May)	297.Pm	
Coconut oil (Philippines)§	\$535v	+5
Palm Oil (Moloysian)§	\$380x	
Copra (Philippines)§		-5
Scyabeans (US)	\$1952	+3
Cotton 'A' Index	71.45c	+0.75
Yookops (64s Super)	660p	
O talino unless otherwise	stated, p-per	ice/kg.
-conts/lb. r-ringgit/kg, v-Ap	r/May u-Mar	. q-Apr.

x-May/Sep. w-Apr/Jun. z-May. TMest Commistion average falslock prices. ' change from a

weck ogo. \$\text{\$\text{London physical market, \$\text{\$CIF Rot-}}

LONDON METAL EXCHANGE COCOA E/torms us High/Lov Turnover:9224 (2842) tota et 10 tounes ICCO Indicator prices (SDRs per tonne). Deity price for Apr 5:1021.37 (1054.05):10 day average Sever (US cents/fine cunce) Cash 30 June 1132 1117 1101 1083 1065 1053 1119 1120 1042 7045 1040 1040 1045 1048 Turnover:3303 (3518) lots of 5 torsies ICO inducator prices (US cents per por Apr 4: Comp. delity 118.47 (113.50); SUGAR (5 per tonne) 272.40 279.80 268.60 275.80 277.60 271.00 273.40 268.00 271.00 266.00 280.00 257.00 326.50 331.00 323.50 329.50 313.00 318.00 329.00 323.00 326.00 321.00 315.00 311.00 rmover: Rew 8331 (7375) lots of 50 tonnes. hite 1619 (1006). LONDON METAL EXCHANGE TRADED OFTIONS Strike price \$ tonne May Jul May Jul 155 147 11 83 91 38 36 52 00 Calls Puts Jan Apr SFI 286 223 134 124 44 62 01 187 320 10 54 163 WOCL
VIEWS emanating from Australia indicate at least a firm market when sales are resumed there next week. Certainty there is little thought in the remaining weeks of the salling season of a price downtum of any significance. This is one stater keeping stractord and other consuming markets firm. Locally there is also a variable currency tester description and Locally there is also a variable currency factor, dependant party on sterling and party on the Australian dollar. Both have moved a little entatically during the past texture days. Otherwise trade in the UK is patchy and confined to small weights. Some find delivenes are not going out well though others are sensitled. Top quotallons can be set at 155 cences are for the first surper and put al 655 pence per kg. for 64s super and 453p for 58s everage.

Leed (£ per lanne Ring turnover 11,950 tonne Cesh 341-2 3 months 351-2 352.5/350.5 8,212 lots Mickel (5 per tonne) Pine turnown 716 torns Cesh 15450-600 3 months 15200-50 15400-500 15200-50 7,207 lots Cesh 1720-1 3 months 1688-00 1705-15 1875-80 1720/1718 1716-8 1685-90 8.351 lots Zinc (\$ per torune) Aing turnover 14,850 tores Close Previous High/Low Gold (fine oz) \$ price 82.5 70.0 2241<sub>4</sub>-2251<sub>4</sub> 2261<sub>2</sub>-227 228.224 224.765 87.5 93.5 383-383 1 Opening 385-385 Morning fix 384.43 107.9 94.0 132.0 129.0 Turnover 708 (293) lots of 40 tonnes. SOYABEAN MEAL STORE trelaviups 2 231 4-234 4 231 4-234 4 231 4-234 4 231 4-234 4 158.50 151.00 151.00 147.60 145.50 147.60 148.60 antannia US Eagle 145.50 148.00 147.50 147.00 147.50 147.00 400 (57)lots of 20 tornes. REIGHT FUTURES \$10/Index poin US ets equiv Silver Ex prine sz 1610 1554 1357 1460 1530 1558 1621 CRUDE Oil S/barrel Turnover 438 (424) 18.95 19.35 18.85 GRAINS E/tonne 18.13 18.21 18.56 15.08 17.52 . 17.55 119.90 118.90 121.40 120.60 119-90 119-25 121.45 121.00 104.50 104.25 108.50 105.50 104.50 104.50 106.65 GAS OF STORE Close Previous High/Low Close Previous High/Low 158.00 159.25 111.35 101.50 104.35 107.45 110.40 119.90 111.35 101.50 104.35 104.25 157.50 152.50 154.00 149.50 153.00 149.00 110.90 101.35 104.25 154.00 149.00 110.40 156,00 158.00 166,00 156,00 Turnover 8430 (7517) lots of 100 to

US	S MA	RKE	ETS		COPT	ER 25,000	ibe; cents	/lbs		Cł	ricag			
				أمدفالماء		Close	Previous	High/Lo	w .					
			d prices mpted by		Apr	129.86	128.30	130.00	730.00	SOY	DEANS 5.	000 pr miu:	di03/etn#2	Jushel
			reponu		May	129.10	125.20	T30.00 "	128.80		Close	" Previous	High/Lov	,
			el Burnha		Jun	125.50 122.00	124.50	123.80	0	May	. 715/0	714/6	719/4	709/0
			wed tha		Sep	118.00	121.40 117.60	119.30	121.70	Jul	724/0	723/4	729/0	718/4
				r futures	Dec	114.00	114.00	115.20	114.00	. Aug	-721/4 -	720/0	726/0	716/0
			y, in quie		CRUE	E OIL (Li	tht) 42,000	US calls S	/barrei	Nov	712/0	709/6 705/4	717/0 714/0	707/0 702/4
			, cocoa			Lutest	Previous			Jen	720/4	713/B	723/4	712/4
			rket as I					High/Lo		Mer	730/0	723/4	733/4	- 720/4
			nission h		May	20.03 19.13	20.42	20.57	19.96 19.05	May	238/Q	730/0	736/0	727/0
stop	-loss se	lling. Su	gar lost	25, basis	Jun Jul	18.51	19.65	19.76	18,46					
May	, but vo	ume wa	s only m	oderate.	Aug	17.98	18.56	15.60	17.95	SOYA	DEAN OIL	. 80,000 lbs; (	di\minec	
Swit	ch buyli	g provid	sed supp	ort in the	Sep	17.60	18.17	78.17	17,55		Close	Previous	High/Low	
coffe	e mark	et before	profit to	ding near	Oct	17.39 17.22	17.85 17.57	17.80 17.50	17.40 17.20	May	22.07	22.05	22.35	21.95
			er gains		Dec	16.96	17.35	17.26	16.96	Jul	22.67	22.62	22.93	22.63
			yer cash		Jan	16.80 .	.17.11.	.17.10 .	15.50	Aug	22.99	22.01	23.17	22.84
			s. Tuesd		Feb	16.60	16.93	18.00	16.50 .	Sep	23.50	23.16	23.40	23.05
				report also	MEAT	THE OIL 4	2,006 US g	alts_ cents	US galls	Dec	23.88	23.76	23.65	23.67
			te marke			Latest	Previous	High/Los	<u> </u>	Jan	24.00	23.95	24.00	24.00
			ty as lov		May	5100	5364	5360		- Mar	24.25	24.07	24.40	24.25
				peculative	Jun	4060	8128	5120	\$145 4940	May	24.85	24,40	24.30	24.40
			e futures		Jul -	4880	6035	5030	4860	SOYA	BEAN ME	AL 100 tone;	3/ton	
				e grains volumes	Aug	4890	5056	5060	4800		Clone	. Previous	High/Low	,
			ing took		Sep Oct	4965 5110	5105 - 5160	5095 5125	6025 ·	May.	220.1	221.1	221.5	219.1
			in the w		Nov	5090	6215	5165	5090	Jul	219.1	219.6	220.5	218.0
				he energy	-	5140	5270	5225	5140	Aug .	218.1	217.0	218.0	217.0
			day high		cocc	A 10 tone	es:\$/tonne			Sep	216.5	215.7	217.0	214.0
			buying, t			Close		High/Los		Dec	213.7 213.0	213.0	214.5	211.5
				emerged			Previous			- Jen	212.5	211.0	914.0 213.0	212.5
	e days				Mey Jul	1336	1382 1323	1373	1330	Mar '	212.5	211.0	212.5	2125
		٠.		-	Sep	1258	1305	1298	1252	·· SKAIZI	5,000 bu	min; cents/5	Oto bushel	
No	WY	ork	•		Dec	1273	1311	1500	1270	-	Close	Previous	High/Low	
		Ö. 14			Mar	1274	1305	1290	1270 .	May				
GOLD	100 troy	oz : S/troy	02.		- May Jul	1282 1270	1305	1304	1262 · 1273	Jul	264/0	262/0 264/6	266/0 267/2	261/4
	Close	Previous	High/Lo				,5006bs; ce	_		Sep	250/2	259/0	-260/0	258/2
_				383.0	-					Dec	25714	257/6	258/6	257/0
Apr	365.6 365.6	385.1 357.9	383.2	0		Close	Previoue	High/Los	<u> </u>	Mar May	265/0	284/2 285/5	265/0	263/4
Jun	358.6	390.9	390.0	367.4	May	132.63	131.48	133.80	131.11	_			267/2	. 285/0
Aug	593.7	395.1	395.2	392.5	Jul Sep	127.08	126.62	127,90 123,40	128.50	WHEA		min; cente/	50to-bushel	
Oct	399.4	401.9	400,4 408,8	404.0	Dec -	120.00	121.67	120.35	122.00		Close	Previous	High/Low	
Dec	405.1	415.3	0	0	Mar	116.50	117.82	119.00	117,75	May	404/2	401/2	405/4	400/4
Арт	418.5	410.2	ō ·	o .	May	118.90	117.25 · ·	118.01	118.00	Jul	302/2	391/2	393/6	388/0
Jun	422.3	425,1	422.1	422.0	Jul Sep	117.50 117.50	116.50	- 0	0	Sep Oec	400/4	398/2	401/4	395/4
PLATI	NUM 50 c	roy oz; \$/b	roy oz.		_	A WORLD				Mar	417/0	410/0. 414/4	417/0	407/2
_	Close	Previous	High/Lo	W	3000	_	71- 112,0	QC libe; cer		May	412/0	414/0	415/0	411/4
	523.9	522.6	524.5	617.0		Close	Previous	High/Lov	:	LIVE	ATTLE 40	.000 lbs; cen	the officer	
Apr	524.4	523.1	0	0	May	12.36	12.61	12.90	12.22		Close			
Jul	525.4	525.5	527.0	619.0	Jul	12.17	12.42	12.36	12.00			Previous	High/Low	
Oct	526.9	527.0	525.0	523.0	Oct Jen	11.95 11.15	11.34	12.19	11.18	Apr Jun	78.17 72.52	77.55	78.25	77.70
Jan	528.9	529.0	529.0 528.0	525.5 528.0	Mar	11.53	11,75	11.70	11,47	Aug	69.10	71.57 68.57	72.85	71.90
Apr	531.4	\$31.5		920.0	May	11,48	11.67	11.59	11,50	Sep	00.30	80.30	<b>89.35</b>	68.80 0
SALVE	TR 5,000 tr	TOY OZ; CEN	PARCA OF		Traff	11.43	11.55	0	Ο.	Oct	69.75	69.40	70.12	59.50
	Close	Previous	High/Lo	M .	COTT	ON 50,000	cents/lbs			Dec	70.78	70.62	71.10	20.70
Aur	590.1	<del>58</del> 1.6	0 .	0 .		Close	Previous	filat/Lov		Feb	71.22	71,20	71.46	71.00
May	582.8	595.5	585.5	582.0						TIME	0,0E 2DO	00 lb; cents/1	ba	
Jun	589.2	621.0	0	0	Apr	<b>62.88</b>	61.55	0	0		Close	Previous	High/Low	
Jul	594,5	595.5	599.0	593.0	Jul	64.65	64.23	64.90	66.17	A			MOUNTOW	
5ep	605.5	607.8	624.5	603.6 620.0	Oct .	64.73	64.67	A5.10	64,76	. Apr	45.72	40.65	41.10	40.52
Dec Jan	621,3 625,4	628.5	0	- 0	Dec	64.62	64,40	64.98	64.60	Jul	45.92	45.67 45.80	46.10	45.65
Mar	637.1	639.7	437.5	636.5	Mar	65.18	64.95	0 .	0	Aug	44.47	44,27	46.20	45.75 44.12
May	647.6	650.8	650.0	650.0	May	65.75	65.75	65.79	65.70	Oct	41.75	41.45	4t,80	41.15
Jul	658.5	651.8	0 .	0	ORAN	GE JUNCE	15,000 lbs,	CEPIE/E)S		Deg	43.42	43.45	43.62	43.25
IND	CES					Close	Previous	High/Lon		reb Apr	44.40	44.35	44.55	44.25
		Orași	her to	1.00								43.35	43.60	43.26
MEUT	CHO (BS	o septem	ber 15 193		Jul	166.85 167.30	166.80 168.05	187.70 188.60	.165.06 .	CORK	DELLES A	10,000 lbs; co	nts/fb	
	Apr 4	Apr 3	moth as	to yr ago	Şep	164.80	165.30	169.50 166.05	166.75		Close	Previous	High/Low	
_	2002.4	2010.2	1995.1	.	Nov	155.00	166.80	156.00	155,00	May	34.65	34.77		
=					Jen	150.68	161.75	151,50	150.75	Jul	34.80	34.82	35.25	34.50 34.70
1077			31 1974 -		Mar	149.45	161.05	0	0	Aug	34.20	34.05	35.40 34.67	34.02
Spot	134.24		137.98	130.95	May	149.45	151.05	0	0	Feb	48.25	49.20	48.90	48,20
Futur	es 135.34	136.00	141.05	134.54	Jul Seo	149.45	151.05	0	0	Mar	48.00	48.00	o T	48.00

Low

Apr 4

102.8

269.2 2453.2

108.4

291.8 2213.3

102.0

#### **LONDON STOCK EXCHANGE**

# Market cautious as tax year ends

The recent advance by London's equity market which has taken the FT-SE 100-share index no over 33 roints during the past three sessions ground to a halt yesterday, the last session of the UK financial year. Share prices, turnover and enthusiasm all showed a marked contraction in a trad-ing session described by one top broker as "as drab as the weather in the City of Lon-don." The FT-SE 100-share index, under pressure all day, eventually closed with a 4.6

decline at 2,078.2. "There were planty of rea-sons for not getting involved in this market, starting with some frayed tempers by deal-

			•
			تلدائد الالتا
	Acco	unt Dealing	Dates
	That Dealls Mar 13	get. Apr 3	April7
	Option Denti Mar 30	Aor 13	May 4
	Last Dealing Mar 31	#=	May 5
-	Account Day Apr 10	Apr 24	May 15
	"New Stree & 9.00 and boo	enlingo may tak businosa daya	e place from earlier

ers arriving late owing to a dis-ruption to London's under-ground transport systems." said one fund manager.

More fundamental reasons

for the trend in equities — weak was said by some traders to be too strong a word to describe yesterday's mood events — came in the shape of

a nervous and marginally easier trend in sterling against other currencies, an easier gilts market, a disappointing performance by Wall Street overnight and some worrying company results released yes-

The equity market, mirror-ing these factors, opened with the FT-SE down some 6 points and sliding off to the day's low-est reading of minus 8.8 points around 11 am. But actual sellaround 11 am. But actual sating pressure was said to have been negligible, and some minor buying interest by a number of US houses produced a half-hearted raily for a couple of hours. The Footsie closed finally down 4.6.

Turnover, which at 5pm was Turnover, which at 5pm was recorded as being 440.7m shares, compared with Tuesday's 517.2m and Monday's 397.1m, and was said to have been given a modest boost by some last-minute bed and breakfast deals. Traders also said there was evidence of persaid there was evidence of per-haps a couple of small-scale "buy" programmes in the market just before midday, and another possibly during very late trading and were generally relaxed about immediate pros-

pects for equities. "There seems to be no real worries in the short term, except perhaps the old bugbear of low volumes," was the com-ment from a dealer at one of houses. There were some major casu-

alties in the second-line issue where profits warnings trig-gered some herty losses in AB Electronics, Lec Refrigeration and Havelock Europa. Among the Alpha stocks Sun Alliance shares ran back sharply on first impressions of the preliminary figures but later picked up strongly following a confi-dent meeting between the man-agement and insurance sector analysts.

A growing belief that Minorco is about to increase its offer for Consgold saw the latter's shares racing ahead towards the close.

convinced that a bid, either from Mr Goodman himself or

from Mr Goodman himself or from a consortium led by him, is planned. "One doesn't increase a stake from 8 per cent to nearly 9 per cent with-out a good reason," said one foods analyst, who predicted corporate activity soon. Others, however, believe Mr Goodman is playing a different game. "I think he's trying to do a Ron Brierley and is building

a Ron Brierley and is building up a big holding before passing

it on to another interested

party," mused a second fol-lower of the stock. At the close

Unigate were a penny easier at 357p amid little trade. Gateway, the supermarket

chain, were a good market as retail stocks benefited from

some defensive buying. It was revived talk of a management

bny-ont that initially flushed

out the demand for Gateway, and the shares raced ahead in

busy trading. They closed 31/4

better at 170%p on turnover of nearly 6m shares.

kers' "classic long-term buy"

recommendations for BAA made the stock one of the few

strong performers in the Foot-sie index. Dealers marked up prices all day in an attempt to find sellers and the stock

closed 10 ahead at 350p. "It's got so much downside protec-

tion there's not much point in

selling," said Ms Jennie

Havelock Europa warned that second half profits for the

Younger, analyst at BZW.

The recent stream of bro-

FINANCIAL TIMES STOCK INDICES Since Compliation High Ago the leading UK securities Government Secs 86.70 87,10 86.81 87.30 127.4 49.16 (9/1/35) (3/1/75) 87.38 Floord Interest 87.66 97.82 105.4 50.53 (28/11/47) (3/1/75) (15/3)(4/1) 1705.4 1708.4 1781.1 1926.2 · 49.4 (16/7/87) (26/6/40) (3/1)Gold Mines 154.7 734.7 43.5 (17/2) (15/2/83) (26/10/71) Ord. Ot. Yield Earning Yid %(full) P/E Ratio(Net)(%) SEAQ Bargains(5pm) Equity Turnover(2m)† Equity Bargainat Shares Traded (mi)† 4.49 10.85 11.13 43,563 1277,70 4.50 10.90 11.08 39,767 1399.64 45,659 606.3 • S.E. ACTIVITY Indices Gitt Edged Bargains 102.5 5—Day average Glit Edged Baro Dopening 610 zm. 621 zm. 622 pm. 61 pm. 1703.3 1703.7 1702.5 1704.5 1707.1 DAY'S HIGH 1707.5 DAY'S LOW 1702.2

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/3/55, SE Activity 1974, ANII 10.95 (Excluding business. \* Corrected figure.

#### **Investors** warm to the Sun

The state of the s

10 mm 12 mm

11.2%

ខេត្តប

The market's sour mood was perfectly illustrated by its reac-tion to the latest set of figures from the composite insurance sector. Although Sun Alliance reported annual profits up 117 per cent to £372.4m, dealers immediately marked the shares down 30 points because the insurer's figures had fallen short of some of the more exaggerated expectations; there was talk this week at one stage of profits reaching £400m, a figure one observer described as "a

However, after a few hours sober reflection and following a "very positive" analysts meeting, Sun Alliance staged an impressive recovery to close a mere penny lighter at 11570 on turnover of 2.2m shares. Mr Chris Pountain, the insurance expert at County NatWest WoodMac, said after the meeting. "The published figure was hit by a few one-offs, but the underlying result was excel-lent, especially on UK prop-erty."

In spite of the good news from Sun Alliance, analysts were still predicting modest were still predicting inodest earnings growth for the com-ing year because of the intense-competition among insurers for business. Yet, in light of yesterday's figures, Mr Poun-tain at County has decided to raise his forecast of Sun Alliance profits for the year-end December 1989 from 2852m to 2375m. He is also revising his estimate for the dividend payout upwards, by a penny to 52p. At their current level the County analyst regards Sun Alliance shares as wery

Rank out of focus

Rank Organisation powered ahead amid a florry of stories The only one dealers agreed upon was that a large single buyer was active in the stock, had been so for several days and had not yet completed the buying orders. Some dealers said that the buyer was UK-based, while others were convinced he was working from New York. The stock closed 22

better at 936p. The next most popular story arose from continued specula-tion in New York that Sony might bid for entertainment group MCA. The logic was that Rank and MCA have had business links for many years and that defensive moves against any hid might involve closer ties between the two companies. There was considerable US interest at the 920p level, noted one marketmaker.

at IMI

Sir Eric Pountain is to

become chairman of IMI following the annual meeting

on May 16. Sir Eric, who will

remain executive chairman of Tarmac, will succeed Sir

appointed executive directors from June 1 on the retirement.

restructured as follows: Mr Peter Roberts, building

products group director, Mr Roy Amos, drinks dipense

group director, Mr Trevor

Lamb, fluid power group director, Mr Nick Paul, special

engineering group director, and Mr Peter Fisken, refined

Mr Ian Fisher and Mr Paul Bristow have been appointed directors of MMG PATRICOF

senior partner with Bain & Co, and Mr Bristow was group

and wrought metals group

Allenremains managing

director and Mr Gordon

BUY-INS. Mr Fisher was a

Taylorfinance director.

director. Mr Gary

of Mr Donald Ayres.

Robert Clark who is retiring

A third story was that Rank was planning a one-for-three share split — "it would make the stock more marketable," said a dealer. Dealers also cited a press report which said UK travel agents were predicting that more UK holidaymakers might stay in the country this summer. Because it owns Butlins, the boliday centre chain, Rank could be placed to benefit from such a trend.

Finally, Monday's entry into the Footsie of the highly rated Carlton Communications threw Ranks' lower rating into sharp relief. One securities house was said to be telling its clients to switch out of Cariton into Rank. Carlton closed 15 off at 890p.

Strong miners ·

The two biggest UK mining groups — Consolidated Gold Fields and RTZ — made further strong progress with the latter up 5 at 5350 on turnover of L8m shares and the former well bid and finally up 37 at

well bid and maily up 37 at 1385p on 1m.
Conspold's latest surge came as the market took the view that the UK company's defence initiatives have proved sufficiently good, to provoke an increase in the Minorco bid to perhaps \$15.00 for \$15.00 share the control of the control o perhaps £15 or £16 a share. Minorcu has until next Wednesday to increase its offer and mining market observers are convinced that any higher offer from Minorco will come

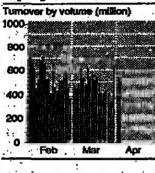
on Friday or Monday.

The strength of RTZ was, according to dealers and analysts, attributable to two factors. Firstly, Mr Robert Davies of Shearson Lehman was bull-ish of the shares at Shearson's ish of the shares at Shearson's morning meeting. He said keen demand for North American mining stocks, notably Phelps Dodge, where a big stake was picked in recently, and Falcon-bridge Nickel, where a group of New, York investors have acquired a 10 per cent stake, has focused attention on RTZ. The latter, according to Mr Davies, is the world's third largest copper producer. "Compared with RTZ, with its excellent growth prospects, Phelps Dodge and Falconbridge are low quality stocks," said Mr

FT-A Ali-Share Index



**Equity Shares Traded** 



yesterday that if Consgold is swallowed up by Minorco, then funds seeking exposure to international mining and met-als via a UK-quoted company would have only one place to go - RTZ,

#### Beecham doubts

Beecham's strong rise since it announced it was holding merger talks with SmithKline Beckman of the US ground to a halt. Mr Didier Cowling, analyst at Nomura Research, is bullish long term but is telling clients to sell short-term. There is more downside than Poor's to carry out their threat of downgrading Beecham's credit rating. Four an asymmetric merger would go down badly because the market saw Beecham's management as bet-Additionally, dealers said ter, and Five an attempt to

#### **NEW HIGHS AND LOWS FOR 1989**

**APPOINTMENTS** 

NEW RIGHS (197).

BETTINE FUNDS (1) AMERICANS (3)
CANADAMS (4) BANKS (3) AREA trial,
B'CRITE Cie. Bank roland, SPREWERS (1)
MACRIER-Gerilver, SULLINSSIS (4)
CHENICALS (2) ELECTRICALS (4) Erlosson
(L.M.), Gardiner Gry., Kevill Systems.
Sapderson Elect. FROSEFERNÍN (10) FOODS
(0) Food Inde. BSN., Medistrikals (20)
AIM, Alexandra W'Innest, BAA.
Bridgort-Gundry, SPR. FRItings Grp.,
Beatrokuc, Esselin, Green (E.) & Part.,
Hornby, Johnson Cleseniera, Kedy Trust,
Mylese, Plaffgeam, Rank Org., Smithidine
Beckesur, Schlechy's I-Holl, Inc. Claus. A'
Spring Ran, Tochils JR.W., Torys, Walserlord
Glass, 1950/AMCC (3) Arestean Gan.
Alexandre & Alexander, LISLIFF, LEBRING
(9) MOTORS (1) SMAC Grp., NEWSPAPERS
(9) Court Grp., PAPERS (2) Other Högs.,
Parkway, Wace Grp., PROPERTY (7)
ENWSPARS (1) TEXTILES (1) Lamons Högs.,

TRUSTS (16) OR.S (5) Fairbeven Int'l., Floyd Energy, Globel Nat Hea., Kingston OH & Gas, Tunker Res., OVERSEAS TRADERS (2) BOUSISSES, TRADERS (2) BOUSISSES, TRADERS (2) BOUSISSES (2) BRILLADIK & O'SEAS SHOTE (4).

MARKET (4).

MEW LOWS (76).

BRITISH FUNCOS (13) BITLEADIK & O'SEAS SHOTT, STU, INSUES (2) AMERICANS (4) CARADIANS (2) BANKS (3) ANC. Nat. Aust. St., Westpac, BRILDINGS (2) Calcibrosed Robey 'A', Jennings, STORES (4)

ELECTRECALS (3) Bannett & Fountain, ITI., bito. Tech., Lee Rainigeation, Evaluatin, ITI., bito. Tech., Lee Rainigeation, Evaluating (1) Hopkinsons, FOODS (2) BRUISTRIALS (1) Hopkinsons, FOODS (2) BRUISTRIALS (2) General, Mayor Nichtens, Marial Closurus, Prochester, Print Miss Irv., Wase Polis, Marial Rockers, Research (2) LEERING (1) Prism Laisure Grp., William Control (2) Arkins Bros., Sinder, TRUSTS (4) OLL (3) TESTELES (2) Arkins Bros., Sinder, TRUSTS (4) OLL (3) TESTELES (2) Arkins Bros., Sinder, TRUSTS (4) OLL (3) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (3) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (3) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (3) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) OLL (4) TESTELES (4) Arkins Bros., Sinder, TRUSTS (4) Arkins Bros., Sinder, T

in Unigate to 8.8 per cent had little impact on shares in the UK dairy group. However, the Irishman's latest move has flushed out conflicting views in the market as to what Mr Goodman might do with his chunk of Unigate. Some are convinced that a hid, either lower SKB's capitalisation by selling off its non-pharmaceuti-cal interests could flush out other bidders for SKB. There was talk in the market

that Japaness companies, whose home markets are close to saturation, were following events closely, the names mentioned were Takeda and Fujisawa. Beecham closed down 5 at

614p.
British Ges were a big feature of late business with turnover given a substantial boost by concerted buying interest and coming out at 18m shares — well ahead of recent levels of activity; but the share price was unmoved at 176%n despite was unmoved at 176%p despite

the leap in activity.

There were few other developments in oils although there was a persistent story, said to have emanated from the US, that the potential suitor for Burlington Resources, the US gas transmission group may well be BP and not, as hinted at last week, Shell. Analysts said the two would make a good fit in terms of strategy but doubted BP would contem-plate a move of this magnitude

plate a move of this magnitude given its high level of gearing after the KIO buyback deal.

Whitbread were the talk of the brewery sector as the "A" shares climbed 6 to 356p on turnover of 4.2m. One broking house pursued the stock all day, and dealers believe that the commany has revalued its the company has revalued its property assets, although there is some doubt as to whether any figures will be published. Some dealers also mentioned that a deal between Whithread and Dutch brewer Heineken

might be in the offing. Stores were traded listlessly within a relatively tight range; "There is more downside than upside," he said. He gave five reasons. One: if the merger does not go aliead, then the deal part of the recent rise will drop, out of the price, Two: If it does go alread then Beecham would have to raise its capitalissue, to nearer that of SKB.

Three is more downside than within a relatively light range; dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distracted by the US securities house Goldman Sachs' two dealers' attention was distra West Woodmac, has noted that the early week rise in Boots on the back of the Bee-cham/Smithkline Beckman story has left Boots standing at a premium to M&S for the first time since 1973. Because he thinks that M&S "has the edge

Lec Refrigeration plunged 42 to 318p on publication, with year end figures, of a statement saying that cheap imports and high interest rates had cut first quarter turnover this year. A profits warning also thumped AB Electronics shares, which fell 49 to 397p. Confirmation that Mr Larry Goodman, the Irisb entrepeneur, had increased his stake

■ CTTICORP SCRIMGEOUR

VICKERS, Hong Kong, has appointed Mr Nick Peacock as director of research and

strategy, and Mr Caspar Li

Mr Peacock, who was research director of Hoare

Govett in Hong Kong, joins

earch department.

on May 15. Mr Li is currently head of CSV's Hong Kong

■ MARCONI COMMAND AND

CONTROL SYSTEMS has appointed Mr Bill Hamilton.

formerly general manager at MCCS Hillend in Fife, as assistant marketing director

as meadquarters in Frimley, Surrey, Mr Bill Henderson, formerly general manager of Marconi Radar Systems at

Gateshead, becomes general manager at MCCS Hillend.

Mr John Martin, a senior partner at Watsons, consulting

actuaries, has been appointed deputy chairman of the

OCCUPATIONAL PENSIONS

BOARD. Mr Ron Amy, group

director at Grand Metropolitan,

Asset Management, have been appointed to the board.

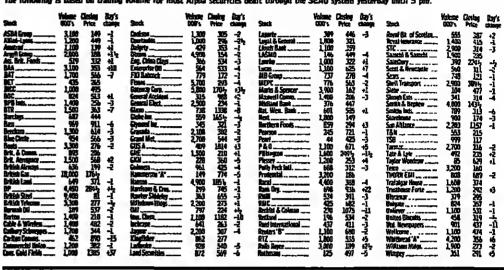
compensation and benefits

and Mr William Ramsay, a director of N.M. Rothschild

as director of corporate

finance.

#### TRADING VOLUME IN MAJOR STOCKS The following is based on trading volume for most Alpha securities dealt through the SEAO system yesterday until 5 pm



current year would be "very much below the level achieved for the first half," and the upshot was the shares wilted 51 to 142p. Board changes at Si to 142p. Board changes at Blue Arrow were generally welcomed in the market and the shares rose 1% to 93p. The buying interest continued to come from New York.

Securicor and its Security Services unit reacted badies to their joint \$55m. rights issue

their joint £35m rights issue. Securicor's "A" shares shed 28 at 582p while Security services found itself 22 worse off at 523, Maxwell Communications

twitched again awaiting today's trading statement and settled 3 off at 206p. Mr Stephen Weller of Kleinwort Benson is looking for profits of £175m compared with £166m previously. United Newspapers revealed details of the latest

lost more ground to close 11 lower at 437p as disenchanted bid speculators reduced their commitments.

Quarto went against the run of the mill, the record profits and worldwide acquisitions countering the effects of a £6.5m share placing. At the close, the shares were 6 dearer at 173p. Ketson bounced after early demand touched off intra-market business which forced the price np to 39p before a close of 35p, a net 21/2 better on the day. The com-pany's results were due three weeks ago, said a marketma-

The recent spate of favoura-ble recommendations continued to attract investors to P&O and the shares gained 5 further to 67lp. Ocean Transport eased

US expansion but the shares to 304p after revealing slightly lower profits of £38.5m compared with the market range of £38m to £40m before surging late as bid bopes revived. The shares eventually rose to 316p

S Jerome, the textile con-cern, disclosed higher annual profits but, at £2.4m, they failed to meet some analysts' estimates and the shares scurried back to 213p, for a loss of

The prevailing discount to net asset value on Meldrum Investment Trust contracted swiftly from 17 per cent to under 4 per cent as the shares rose 25 to 165p after news of the proposed reconstruction.

Other market statistics. including FT-Actuaries Share Index and London Traded Options, Page 22

#### over Boots in terms of quality of earnings, strategic direction and management," Mr Rich-ards suggests that investors switch out of Boots and into your life.

If living or working abroad, buying a tax-free Volvo is the convenient, troublefree way to save money. And get one of the world's great cars into the bargain. All the advantages are yours.

Country of final use .

#### For all the tax-free reasons in



Re item 4:

Bo Volvo Tourist  & Diplomat Sales. No I Cus- fomer Avenue S-405 08 00to- borg. Sweden.  Telephone: 46 31 5913 00. Fax: 446 31 53 55 35. Please send me the Volvo Tux-Free Guide and more information about IThe Volvo 200/700 series IThe Volvo 300 Series IThe Volvo 440 series IThe Volvo 480 series.
Name
Zip Code

VOLVO **Tourist & Diplomat Sales** 

The annual general meeting of stockholders of Akzo N.V. will be held in Musis Sacrum, Velperplein, Arnhem, the Netherlands on Thursday, April 27, 1989, at 200 a m 2:00 p.m. Facilities for simultaneous translation

into English are available. Agenda

Opening
 Report of the Board of Management for the fiscal year 1988
 Approval of the financial statements:

 Appointment of members of the Supervisory Council
 Approval of cooperation by the Company in the issue of American Depositary Receipts (ADRs) in substitution for existing ADRs

6 Proposal to designate the Board of Management as entitled to issue shares and to restrict or disregard the

consideration of the dividend proposal

preemptive rights of stockholders Proposal to authorize the Board of Management to acquire shares of the Company on behalf of the Company 8 Any other business

It is proposed that J.G.A. Gandois be appointed to the Supervisory Council to fill the vacancy created by the retirement from the Council of O. Wolff von Amerongen. H.A. van Stiphout and C. van Veen will be nominated for reappointment.

Re item 6: This proposal concerns the designation of the Board of Management, for a period of 5 years, as entitled:

years, as entitled:

a) to issue, and to grant rights to take up,
the ordinary shares not yet issued:
b) to restrict or disregard the preemptive
rights which the law accords to
stockholders upon the issue or the granting of rights by virtue of a) insofar as shares are concerned which are issued pursuant to a resolution of the Board of Management.

Re item 7: This proposal concerns the authorization of the Board of Management, for a period of 18 months, within the limits provided by the law and the articles of association, to acquire for a consideration shares in the company at a price not in excess of market value.

The agenda, the signed financial statements, as well as a list of personal data on the nominees for the Supervisory Council are available for inspection by stockholders at the Company's office, Velperweg 76.

Amhem. There and through the undermentioned banks stockholders may obtain free copies of the aforesaid documents as well as a free copy of the annual report.
Stockholders who wish to attend the meeting should deposit their shares in order to establish their identity not later than

Friday, April 21, 1989 at the Company's office, Amhem, Velperweg 76, or with one of the following banks: In the Netherlands with Algemene

In the Netherlands with Algemene Bank Nederland N.V., Amsterdam-Rotterdam Bank N.V., Bank Mees & Hope N.V. Nederlandsche Middenstandsbank N.V. and Pierson, Heldring & Pierson N.V. in Amsterdam, Rotterdam, The Hague and Arnhem, insofar as said banks have branches in these cities, and with F. van Lanschot Bankiers N.V. in 's-Hertogenbosch and Rabobank Nederland

in Utrecht; in the Federal Republic of Germany and In West-Berlin with the Deutsche Bank AG, Deutsche Bank Berlin AG, Bank für Handel und Industrie AG, Berliner Handels- und Frankfurter Bank, Dresdner Bank AG and Sal. Oppenheim Jr. & Cle. in Frankfurt a.M., West-Berlin, Düsseldorf, Cologne, Hamburg and Wuppertal:

West-Berlin, Düsseldorf, Cologne, Hamburg and Wuppertal:
In Belgium with Generale Bank N.V.,
Paribas Bank België N.V. and Kredietbank N.V. in Brussels and Antwerp:
In Luxembourg with Banque Générale du Luxembourg S.A. In Luxembourg:
In the United Kingdom with Barclays Bank PLC and Midland Bank PLC in London;
In France with Lazard Frères & Cie and Banque Nationale de Paris in Paris:

Banque Nationale de Paris in Paris; in Austria with Creditanstalt-Bank

verein in Vienna:
in Switzerland with Swiss Credit Bank,
Swiss Bank Corporation, Union Bank of
Switzerland in Zurich and Basel and their branches, and also with Pictet & Cie in

Geneva: in the United States of America with Morgan Guaranty Trust Company in New York, N.Y.

The Supervisory Council

Amhem, April 5, 1989 Akzo N.V., the Netherlands

#### **PUBLIC WORKS LOAN BOARD RATES**

	Effective April 5					
1	Qual	-	4 _ 1	بدرا وإنجاج	n A' regald	
There	w mr	#11	والعامي	by ESP†	#2#	-
1			12			1234
Over 1 up to 2	11%	11%	1112	12%	1278	124
Over 2 up to 3	115 <sub>8</sub>	115	1112	125	1212	11%
Over 3 up to 4	113	114	10%	123 <sub>8</sub>	1214	115
Over 4 up to 5	1112	11 ½	1034	123	121g	1112
Over 5 up to 6	11 Č	11 Ť	1034	1112	1112	1134
Over 6 up to 7	11	10%	103	11 <sup>1</sup> 2	11 <sup>3</sup> 8	1114
Over 7 up to 8	10%	10%	105	113 <sub>8</sub>	114	11 <sup>1</sup> 8
Over 8 up to 9	10 %	1034	103 <sub>8</sub>	11 3 <sub>8</sub>	114	10%
Over 9 up to 10	1034	10%	1014	114	11 4	1034
Over 10 up to 15	10 <sup>5</sup> 8	104	934	11 <del>]</del> 8	10 <u>3</u> 4	1034
Over 15 up to 25	10	934	81 <sub>2</sub>	10 <sup>1</sup> 2	1014	10
Over 25	9 <sup>5</sup> 8	83 <sup>8</sup>	93 <sub>8</sub>	10 <sup>1</sup> 8	9%	9%
*Non-quota loans B are	a 1 per d	ent h)gi	er in ea	ch case	than no	n-quota
loans A. †Equal instair						

annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

**Tokyo Pacific Holdings** (Seaboard) N.V as at 3/4 was US\$ 193,45 Listed on the Amsterdam Stock Exchange information: Pierson, Heldring & Pierson NX

value

Weekly net asset

Mr Tim Gold Blyth has been

finance director, London

International Group.

Chairman after 17 years on the IMI board, eight years as chairman. Mr Nicholas C. Pauland Mr Peter C. Roberts have been of mr bound Ayres.
The appointments of Mr Paul and Mr Roberts ere made together with changes in IMTs organisation which will be

FREEMANS has appointed Mr Stephen P. Smith as merchan-Stephen P. Smith as merchan-dise director of Freemans and managing director of Texplant Corporation, the buying sub-sidiary of Freemans, the mail order company. He was mer-chandise director of Grattan.

UNITED TRANSPORT INTERNATIONAL, a BET subsidiary. He succeeds Mr Paul Rudder, who remains a director of BET until he retires next year. Mr Blyth, a BET director, is chairman of Tourism International, UTFs touring company.

Mr Peter N. Atterby has' been appointed managing director of LUXUS. He has been with the company since

DENIS M. CLAYTON has promoted divisional directors Mr Peter J. Allen and Mr

Derek E. Watson to full

Mr D.B. Mackay, a director of ICI Chemicals & Polymers, has joined the board of TIOXIDE GROUP. Mr B. Appleton has resigned from

■ Mr Richard Ruzyllo has been appointed executive manager, agency development of CROWN FINANCIAL MANAGEMENT. He was managment developm manager at Citicorp British

E SHARP & LAW, Bradford, has appointed Mr Peter Bawins as group finance director and joint deputy managing director. He was managing director of Graham Building Services, a specialist division of BTR.

Mr Desmond F. Gallen has been appointed managing director of Abbey Homesteads (Developments). He was deputy managing director, and is a director on ABBEY main

Mr Andrew Guille has been appointed a director of LEOPOLD JOSEPH & SONS (GUERNSEY), a wholly-owned subsidiary of Leopold Joseph Holdings.

Mirs Julia Connors has been

FINANCIAL, a subsidiary of

appointed a director of YELLOWHAMMER

Yellowhammer.

Sir Peter Craft Hutchison has been appointed vice chairman of the BRITISH WATERWAYS BOARD for three years. He is chairman of Hutchison and Craft, insurance brokers, and a director of Stakis.

AUTHORISED	Lett Conc. Bid Offer to Yield Chapt Pide Price Price - 645 Stelamaster Mangant Co Ltd ~ Contd. several led	Lett Com. Bild Offer or Vield Comp Price P	int Case, and After a Visit Case Price Price After a Visit t United Unit Magent Lind (1906) F and Home, 4 Battle Britte Lane Leader STI	Loyds Bk Unit Tst Mgrs Lbd (1000)F	chatt Gran, 1884 Miles + 24 Yeld Chapt Price 1884 Miles + 24 Yeld Idland Unit Trasts Line Could.	Traveleged Merchan Control Page - Control Property	Date Conc. But office or Tale Compo Print or the Street of Tale S. Williamston Unit Tet Mars (2000); I thank Se Longton WIAINS 140-141 111
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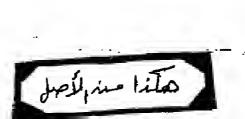
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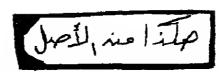
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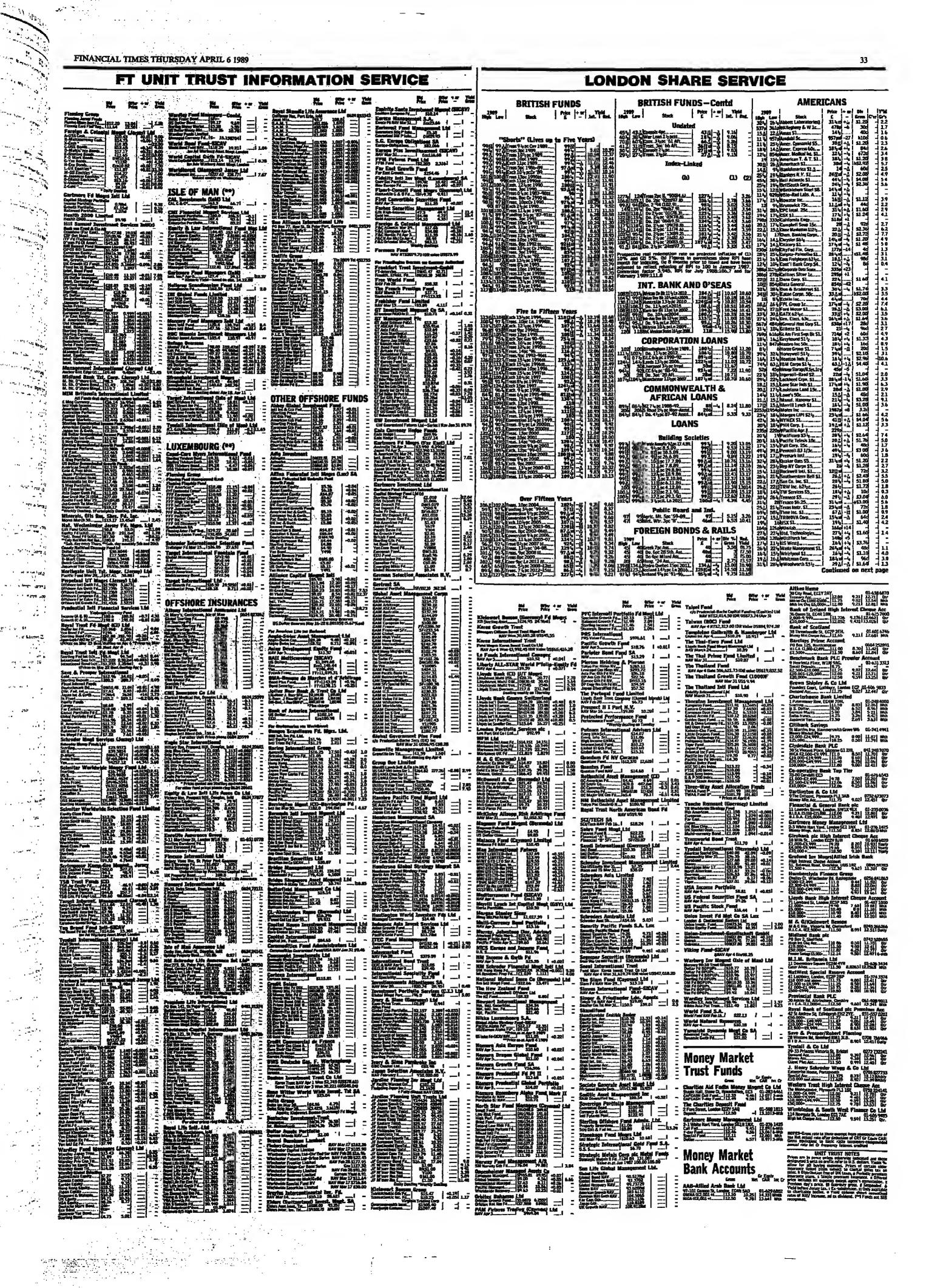
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	FINANCIAL TIMES THURSDAY APRIL 6 1989		35
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CROSSWORD

No.6,902 Sct by DINMUTZ

ACROSS

1 How sweet and kind of Daddy, giving you a start

4 Learned to back river with

old coin in it (8) 9 Foolish move to interior,

they say (6) 10 But the ornithologist need

not ring it (44)

12 Charming society-girl in high spirits (8)

13 Old ascetic in south-east, retired — seen wandering

(6)
15 Sea-bird or rook (4)
16 Toasting an alternative or just standing still?-(10)
19 The man of the match (10)
20 Blot on the landscape? (4)
23 Sex Rex confused as king of the Persians (6)
25 Asked what is bound to consume 24 sheets (6)

sume 24 sheets (8)
27 Skilfully contrived device.
Care if it is adapted? (8)
28 Conducted, also, round
Spanish city (6)
29 Wire twisted in branch to

make a cracker, say (8)
30 Oscar, perhape, at suet-roll?

1 Party result from Barking, we hear (7)
2 Gay in Paris swallowing coarse biscuit (9)
3 Object to being posted again

Sitting for food (4) Old king's order mixed salad

7 Your former slender toe-end

8 Indignation felt having

counterfeit gone wild (7)
11 Wader from bitingly-cold

north? (7)

14 Silver ring on the beach (7)

15 Tense and flawed (9)

18 Perennial plant for high temperature? Not many attached to it (8)

attached to it (3)

19 Sort of leather with which
to fight a little lower? (3,4)
21 Potential, potential wooer
from the nursecy? (7)

22 Supply being exhausted, there is diamissal (3,3)
24 Reversible blade (5)
25 Mark's second vehicle (4)

Solution to Puzzle No.6,901

RUSTLE REVOLTED
E C O A C E E
PRATES CACKERS
T I D D A T I
ESTONDAN ESTRE
E C T U I
SORE STATIONARY
E A E T N D
INDUSCRESTATIONARY
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PROTON LEVERAGE
E P C D T L
A PERTURE SESTIST
C R E A O N O
HOARDING DEXAGOR

#### CURRENCIES, MONEY AND CAPITAL MARKETS

#### **FOREIGN EXCHANGES**

#### Yen and pound look vulnerable Sterling prices lose ground

THE JAPANESE yen and with Y130.90 on Tuesday. sterling looked vulnerable to further downward pressure yesterday. The yen's problems centre on threatened political instability in Japan, as a result of more disclosures about the Recruit Cosmos share scandal, while sterling is suffering from nervousness about a deterioration in the UK trade position.

Yen and sterling currency

futures came under pressure on the International Monetary Market in Chicago, as both cur-rencies weakened on the foreign exchanges. Another unit to suffer from general weak-ness was the Swiss franc, although the currency recov-ered part of its early losses against the D-Mark. Widening interest rate differentials, as the Swiss National Bank remains reluctant to increase rates, encouraged one or two large selling orders against the Swiss franc in the morning, but demand from London was seen later in the day.

The yen began to weaken in Tokyo, and remained depressed later in Europe and the US. This followed reports of a Y30m payment to the political group supporting Mr Noboru Takeshita, the Japa-nese Prime Minister, by the scandal ridden Recruit Cosmos company. In Tokyo the dollar closed at Y131.35, and rose to Y131.75 in London, compared

#### C IN NEW YORK

TIM RES TORK					
Apr.5	Later	ı.	١	Previous Close	
£ Spot	1.6980-1 0.48-0 1.39-1 1.72-3	47cm 35pm	0	065-1 7075 42-0,400m 18-1 1590 10-3,009m	
Forward premiums and 4-sounts apply to the US dollar  STERLING INDEX  Anr.5 Previous					
8.30 am		95.	_	45.4	
9.00 am 10.00 am 11.00 am Noon 1 00 pm		85 S	4	955 954 954 954 954	

2.00 3.00 4.00	Pad DAU DAU		95.4 95.5 95.5	95.5 95.4 95.6
C	UR	REN	CY RA	TES
Apr.	5	Bank rale	Special* Orawing	Europea4 Corrency

Apr.5	Bank rate	Special* Orawing Rights	European Corrency Unit
Sterling U.S. Dollar Austrian Sch. Beiglan Franc Deutsche Mark Neth Guilder Freech Franc Litalian Lira Japanese Yest Norway Krone Spanish Peseta Swedish Krona Swedish Krona Greet Brach Greet Brach Greet Brach	2482258 P.	0 765091 1.30272 1.54648 17 1464 51.0406 9.48510 2.43648 2.7500 8.22016 1.787.98 171.565 8.84677 151.655 8.29116 2.13255 N/A	0 653990 1 11033 1 32107 14 6530 43 5832 8 09541 2 08176 7 02339 1526 26 146 341 7 083990 182427 176 598

#### **CURRENCY MOVEMENTS**

Apr.5	Bank of England Index	Morgan** Guaranty Changes %
Sterling	95.5 68.1	-15.9 -10.4
Caradias Dollar	102.6	40.3
Austrian Schilling	106 6	+9.8
Beiglan Franc	105.0	-6.3
Danish Krone	103.1	.1.9
Deutsche Mark	105 1	+20.3
Swiss Franc	1100	+12.9
French Franc	997	-15 0
Ura	97.4	-20 3
Yes	147.5	+80 7
Morgan Guaranty 1982 - 100, Bank of 1995 - 1000**Rates are	England Index	verage 1980- (Base Average

Apr.5	2	\$	
Argentina	84 6540 - 85.8590	49,7000 - 49 8000	
Anstralia .		1.2495 - 1 2505	
Brazil		0 9950 - 1 0000	
Fieland	7 1525 - 7 1740	4 2090 - 4 2110	
Greece		157 80 - 160 35	
Heng Kong		7.7830 - 7.7850	
Iraa	120.50*	70 20*	
KorealSubi		667 10 - 672 50	
Kumatt	. (0.49285 - 0.49485	0.29500 - 0.29600	
Lemembour		39.10 - 39.20	
Malaysia .		2 7520 - 2 7540	
Mexico		2390.00 · 2400.00	
N Zealand		1.6335 - 1.6360	
Szool Ar.	6.3865 - 6.3970	1 7500 - 1.7510	
Sincapore .		1.9500 - 1.9520	
5 Af (Cm)		2 5495 - 2 5510	
SAFFE	_ 7.0110 - 7 1575	4.1155 - 4.2015	
Tahean	45 90 · 46 10	27 25 - 27 35	
U.A.E	6 2500 - 6 2625	1 6725 - 3 6735	

# The dollar was firm against most currencies, in quiet and featureless trading. The US currency appears to be caught between fears of central bank intervention, to suppress any

rise above DM1.90, and support from speculation about higher US interest rates. At the Lon-don close it had climbed to DM1.8720 from DM1.8700; to SFr1.6415 from SFr1.6315; and to FFr6.3175 from FFr6.3100. On Bank of England figures, the dollar's index rose to 68.1

Fears that a deteriorating UK current account deficit will result in a loss of confidence in sterling were again evident yesterday. In nervous trading the pound fell 65 points to \$1.7000. It also declined to DM3.1825 from DM3.1900 and to FF110.7400 from FF110.7675, but rose to Y224.00 from Y223.50 and to SFr2.7900 from SFr2.7850. According to the

Bank of England, sterling's index fell 0.1 to 95.5. Signs of a change in the thrust of Danish economic pol-icy provided support for the krone. The Danish currency remained the weakest member of the European Monetary Sys-tem, but traded well within its agreed limit against the strongest EMS currency, the D-Mark.

D-Mark.
The krone has fallen to the bottom of the EMS, but Mr Erik Hoffmeyer, governor of the Danish Central Bank, bas now indicated be is concerned

now indicated be is concerned about the drain on Denmark's foreign exchange reserves.

The D-Mark fell to DKr3.8888 from DKr3.8883 at the Copenhagen fixing, after Mr Hoffmeyer said be is ready to raise interest rates if Denmark's reserves continue to fail. Central bank support for the krone in March reduced Denmark's reserves by DKr10.07bn to

EMS EUROPEAN CURRENCY UNIT RATES									
	Ecu central rates	Carrency amounts against Eco Apr. 5	% charge from central rate	% change adjusted for divergence	Dirergeoge (ks)t, %				
Betgian Franc Danish Krone German D-Mark French Franc Durch Guilder Vish Punt Lalian Lira	42.4582 7.85212 2.05653 6.90403 2.31943 0.768411 1483.58	43.5832 8.09541 2.08176 7.02139 2.34779 0.780383 1526.26	+2.65 +3.10 +1.13 +1.73 +1.22 +1.56 +2.88	+0.95 +1.40 +0.57 +0.03 -0.45 -0.14 +1.88	±1.5344 ±1.5404 ±1.0981 ±1.3674 ±1.5012 ±1.6684 ±4.0752				

k krone an D-Mark h Franc Guilder Punt	7,852 2,056 6,904 2,319 0,7684	12 8.095 63 2.081 7.023 43 2.347 11 0.7803	41 +3. 76 +1. 39 +1. 19 +1.	10 113 73 22 56	+1.40 -0.57 +0.03 -0.45 -0.14 +1.88	±1.5404 ±1.0981 ±1.3674 ±1.5012 ±1.6684 ±4.0752
pes are for f trnest calcu	icu, therefore post lated by Financial	tive change denote Times.	a esk cem	ency.		
OUN	SPOT-	FORWA	RD AG	AINST	THE P	OUND
pr.5	Day's spread	Close	Ove mon	4 %	Three sports	94

Apr.5	Day's spread	Close	Owe month	70	Three mostle	2	
rs	1.6965 - 1.7050 2.0155 - 2.0263 3.564 - 3.594 66 45 - 66.80 12.364 - 12.394 1.1915 - 1.1980 3.18 - 3.19 261.10 - 263.40 197.00 - 198.10 21304 - 21394 11.544 - 11.584 10.724 - 10.754 10.824 - 10.854 223 - 224 2236 - 224 2.784 - 2.794	16995 17005 20215 20225 3584 1594 66.50 66.60 12364 12374 11920 11930 318 318; 28160 28210 197 00 197 30 2324 2233 1155 1156 10735 10.834 10.834 2235 2236 2239 2784 2724 2736 2236	0.41-0.39cpm 0.15-0.05cpm 2-14 cpm 35-25cpm 0.55-0.50cpm 15-35cm 15-35cm 30-10cpm 2-1-1cpm 15-1-1cpm 15-1-1cpm 15-1-1cpm 15-1-1cpm 15-1-1cpm	282 0.59 5.20 5.40 5.28 6.99 1.29 1.45 1.73 8.44 7.26	1.17.1.13pm 0.44-0.28pm 54-54-pm 90-70em 13-1.25pm 54-43pm 18-10em 18-20em 18-20em 14-43pm 44-43pm 44-43pm 54-44pem 54-44pem 54-44pem 54-44pem 54-44pem	27 0.7 6.1 4.8 4.0 5.2 6.3 1.0 1.5 1.4 1.4 8.1 8.1 8.1	

DOLL	DOLLAR SPOT- FORWARD AGAINST THE DOLLAR										
Apr.5	Day's spread	Clase	Clase One month		Three months	% 9.1					
UKr	39.05 - 39.30 6.264 - 7.291, 1.8665 - 1.8760 154.30 - 154.70 115.90 - 116.40 13445 - 13754 6.79 - 6.81 6.304 - 6.33 6.344 - 6.38 131.15 - 131.95 131.54 - 13.194 16345 - 1.6445	16995 - 17005 14240 - 1420 11895 - 11905 21106 - 21110 39.10 - 39.20 7.274 - 7.28 18715 - 18725 154.30 - 154.40 116.00 - 116.10 1372 - 13724 6.314 - 6.32 6.314 - 6.32 6.314 - 6.32 131.70 - 131.80 13154 - 131.84 131.64 - 131.84	0.41-0.37cm 0.32-0.37cds 0.20-0.24cfs 0.40-0.61cpm 9.00-0.00pm 0.62-0.60fpm 0.62-0.60fpm 13-18cds 1.30-2.30treds 0.25-0.80reds 0.25-0.78cpm 0.55-0.65creds 0.55-0.55creds 0.55-0.55creds	289 275 255 255 256 257 257 257 257 257 257 257 257 257 257	183-178pm 25,00-17,00pm 270-230pm 1.75-171pm 115-1656s 50-400s 4.80-4.80ds 1.80-2.10ds 2.50-2.15pm 1.95-2.20ds 1.84-1.81pm 12.20-11.00pm 1.78-1.74pm	2.71 -2.75 -2.02 2.14 1.37 3.63 -1.89 -1.89 -1.89 -1.89 -1.89 -1.89 -1.89 -1.89 -1.89 -1.89					
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EURO-CURRENCY INTEREST RATES								
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O. Krose	94-94	10-9%	10,34	101-102	104-104	104-104
Long term Eurode cent; five years 10%-1 days' notice.	Alars two year 10 % per cent o	s 102-104 per positizi, Short te	cont. three year true rates are ca	rs 10%-10% pe Il for US Dotlar	cent; four year and Japanese	s 103-104 pa Yau others, to

Apr.5	£	\$	DM	Yen	F Fr.	S Fr.	H FL	Litra	C\$	SF
£	0.568	1.700	3.183 1.872	224.0 131.8	10.74 6.318	2790 1641	3.588 2.111	2333 1372	2.022 1.189	99.1 39.1
YEN	0.314	0.534	1	70.37	3.374	0.877	1.127	733.0	9.027	20.9
DM	4.464	7.589	14.21	1000.	47.95	12.46	16.02	10415		297.
F Fr.	0.931	1.583	2.964	208 6	10.	2.596	3.34I	2172	1.683	61.9
S Fr.	0.358	0.609	1.141	80.29	3.849	1	1.286	836.2	0.725	
H FL	0.279	0.474	0 887	62.43	2.993	0.778	1.538	650.2	0.564	18.5
Lira	0.429	0.729	1.364	%.01	4.604	1.196		1000.	0.867	28.5
C S S Fr.	0.495 1.503	0 841 2.554	1.574	110.8	5312 16.14	1.380 4.192	1.774 5.391	1154 3506	3,038	32.97 100.

#### **FINANCIAL FUTURES**

SHORT-STERLING futures had another disappointing day in the London Liffe market. The lack of confidence in the June price was quoted at a low of 36.94 although the instrument reflects its poor position in relation to the likely 86.95, it finished at 86.97, underlying cash rate. At yes-terday's close of 86.97, the price discounts a base rate of 13 per cent. But the current economic climate snggests that base rates, over the short-term, are as likely to rise as to fall, and

Estimated volume total, Calls 2656 Pots 2660 Previous day's open Int. Calls 21739 Pots 17053

Estimated Volume 25024 (7378) Previous day's open lat. 21234 (2096)

Estheated Volume () (34) Provious day's open (ct. 272 (311)

Estimated Valuere 604 (367) Previous day's open lat., 770 (756)

Est., Vol., Clar., Figs., not showed 21356 (16351) Privious day's open int., 61302 (60049)

down from 87.05 at the open-

bond were announced, and fell-

further on confirmation that the 25-year issue would carry a

The June long gilt price fell sharply from its opening level of 96-02 to touch a low of 95-15.

It recovered to close at 95-18, down from 96.06 on Monday.

The slight recovery from the day's low came after news that the Bank of England is to hold a reverse auction on around

£500m of medium-dated gilt

stock. Trading volume was high with just over 25,000 lots

changing hands,
US Treasury bond futures finished higher compared with the close on Tuesday but showed little change on the day. The June price finished at 89-01 up from 88-24 previously but down from 88-24 previously but down from 88-24 previously but down from 88-24 previously

but down from a high of 89-06.

conpon rate of 10% per cent

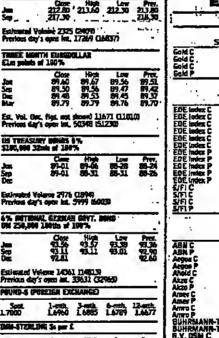
Long gilt futures were also in a depressed mood following news of a £400m Eurobond launched by the Republic of Italy. Values were marked 511454652 **多名母亲与马耳** 

LIFFE S/S OPTENS \$25,610 Louis per \$13 LIFFE ELIBOROLLAR OPTIONS Elia prints of 188% Estimated volume total, Calls 0 Puts 0 Previous day's open Int. Calls 150 Puts 1600 Estimated volume total, Calls 29 Pars 25 . Previous day's open Inc. Calls 2513 Pars 3659

Estimated volume total, Calls 1800 Pots 1421. Provious day's upon lot. Calls 17676 Puts 14854 PHILADELPHIA SE C/S SPTIONS C31,254 (cods per C1) 270 720 1220 17.10 160 020 020 020 Sep 130 200 110 0.60 Previous day's open her: Calls 312,543 Puts 388,6' Previous day's website: Calls 20,1% Pats 14,179U LONDON (LIFFE)

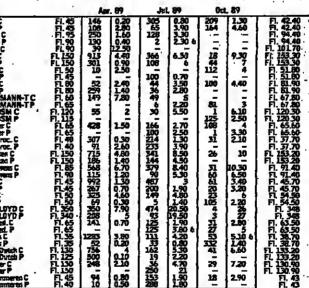
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**EUROPEAN OPTIONS EXCHANGE** 



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TOTAL VOLUME IN CONTRACTS : 48,582 & S-Sid C-Cell P-Per A-Ask

#### **MONEY MARKETS**

#### **UK** rates firmer

UK INTEREST rates were slightly higher where changed in London yesterady. While sterling was only marginally weaker, investors are keenly aware that the authorities are likely to pusb rates firmer if the pound shows signs of sus-tained weakness. The key three-month interhank rate was quoted at 1314-13 per cent compared with 131-13 per cent

UK clearing bank base lending rate 13 per cant from November 25

while the one year rate was unchanged at 13-12% per cent. The Bank of England forecast a sbortage of around £200m. Factors affecting the market included bills maturing in official hands and a take-up of Treasury bills, together with repayment of any late assis-tance draining 277m. There was also a rise in the note cir-culation of £85m, and Exchequer transactions drained a nominal £5m. In addition, hanks brought forward bal-ances £15m below target. The forecast was revised to a

flat position, and the Bank gave no assistance in the morning. A further revision took the forecast to a surplus of £150m, and the Bank sold £124m of Treasury bills at 124.12% per cent, maturing tomorrow.

In Frankfurt, the Bundes-bank allocated a total of

DM37.2bn at its latest two tier sale and repurchase tender. The 27-day facility for DM24-5bn was allocated at between 5.85 per cent and 6.40 per cent, while the longer dated 57-day arrangement attracted successful bids of DM12.7bn at 6.00-6.40 per cent.

Despite a wide divergence in successful allocation rates, the Bundesbank stressed thet most of the applications were accepted close to 5.85 per cent-the lower end of the range and that the amounts allocated at the higher levels were relatively insignificant. Consequently there was little upward pressure on money market interest rates, and the authorities underlined their desire for stability by announc-ing that the Bundesbank will not hold a news conference after a meeting today of the

central council.
In Amsterdam, the Dutch central bank added Fl 2.95bn of liquidity at 6.4 per cent through a two-day sale and repurchase facility. The emergency funding was provided after an earlier seven day facil-ity of Fl 1.5bn proved to be insufficient to meet liquidity

shortages. The US Federal Reserve drained reserves from the money market in New York tbrough overnight matched sales. Overnight Fed funds were trading at 911 per cent at the time, down from 9% per

#### The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for \$10m cooked by the market to five reference banks at \$11.00 a.m. each worklay day. The leads are Maximum Bank, Bank of Tokyo, Destroke Bank, Bankoe National de Parts and Morgan Gozzany Trest. MONEY RATES **NEW YORK** Treasury Bills and Bonds (Lunchtime) Two Months One Month Arr.5 7.25

FT LONDON INTERBANK FIXING

(11.00 a.m. Apr.S) 3 months US dollars offer 10A

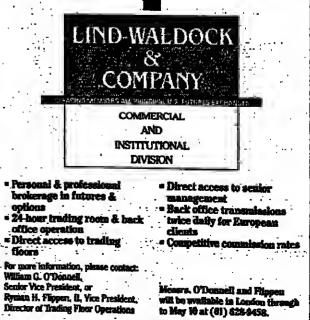
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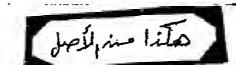
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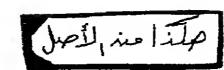
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### WODIN STOCK MARKETS

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**AMERICA** 

# Wait for economic figures leaves Dow in doldrums

**Wall Street** 

WITH THE dollar steady in a narrow range and no fresh eco-nomic news until tomorrow's key unemployment release for March, equities yesterday morning traded virtually unchanged, writes Janet Bush

At 2 pm, the Dow Jones Industrial Average stood 129 higher at 2,299.49 on fairly active trading of 113m shares. The index scored modest gains in early trading but then

The announcement by Tandem Computers on Tuesday that its profits would be lower than analysts expected prompted selling of technology issues and heightened concerns about the outlook for corporate profits now that there appears to be evidence of

an economic slow-down.

The recent easing of interest rates as the bond market has rallied, taking the yield on the Treasury's benchmark long bond down to nearly 9 per cent, the lowest level in two months, is being balanced by

The hond market pulled back modestly yesterday in a reaction to its latest gains and proved something of a drag on Technology stocks actually

fared better after Tuesday's losses while auto issues contin-

ned to weaken as analysts lowered their investment ratings state and their investment ratings retreated \$% to \$69%. on car manufacturers in view of weak sales figures.

Tomorrow's unemployment ase is the next large hurdle for the market. Forecasts suggest a rise in the non-farm payroll of around 215,000 compared with the rise of 289,000 in February and a rise in the unem-ployment rate to 5.2 per cent or even 5.3 per cent from 5.1 per cent in February. Any such evidence of a

deceleration in the rate at which jobs are being created should be taken as a positive in both stock and bond markets hoping for the US Federal Reserve to ease up on lts restrictive monetary stance. However, perhaps more cru-cial for interest rates will be the releases of producer and consumer prices figures for March expected on April 14

Over the next few weeks, it is conceivable that the stock market will be held in a tight range as investors pessimistic about corporate profits slowing down fight it out with those who are optimistic because of a glimmer of hope that interest rates will start to come down. In the technology sector, Hewlett-Packard jumped \$1% to \$52% after it said its busi-

remained strong across

the board. International Busi-

ness Machines added \$1/4 to

\$107% and Tandem rebounded

Among anto issues, Ford dropped \$1 to \$47%, Chrysler dipped \$24 to \$24 and General Motors slipped \$% to \$40%. NWA, the holding company

for Northwest Airlines, jumped \$3 to \$86% after Mr Martin Davis, the investor, said that he did not intend to break up the company or sell assets under his proposed \$90 a share FIT added \$1% to \$54% on

speculation, which began apparently in Europe, that the

company may be a candidate for restructuring or takeover. In over-the-counter trading, Quantum leapt \$1% to \$17% after the company said that net income in its March quarter would be more than 60 cents a share, significantly higher than it had been expecting.

Among hlue chip issnes.

Procter & Gamble was unchanged at \$91%, American Telephone & Telegraph was down \$\% at \$31, F.W. Wool-worth slipped \$\% to \$49\% and

IN THE absence of any trends Toronto stocks fell away in quiet trading while bond prices also drifted lower.

Merck was down \$1/4 at \$651/4.

The composite index rose 0.30 to 3.552.88 in volume of 7.8m as declines led advances

# Good results from BASF add fizz to Frankfurt

AN abundance of corporate news, some of it extremely pos-itive, helped most leading bourses to end higher, writes Our Markets Staff. FRANKFURT gathered pace

with turnover remaining fairly active, as the Bundeshank relieved interest rate worries with a generous securities repurchase allocation and mar-ket optimism was encouraged

hy strong corporate results. Pre-bourse trading was ner-vous, hnt hy midsession the FAZ index was showing a rise of 2.34 to 563.91 and the DAX index closed 9.01 higher at 1,348.80. Volume was close to Tuesday's at DM3.76bn.

The Bundesbank's allocation of a larger than expected DM37.2bn in its two-tranche repo tender was taken as a further signal that interest rate policy would not change for the time being, provided the dollar stays under control.

If tomorrow's US jobs figures are neutral or positive for the market, then the FAZ index might have another attempt at breaching the 570 level next week, said one German institutional adviser. If that hap-pened, foreigners might begin to put their capital back into Germany after sitting on the sidelines for some weeks.

Chemical group BASF pleased the market with a better than expected 44 per cent rise in 1986 pre-tax profits and gained DM3.30 to DM300.50. The results increased the likelibood that BASF would raise its dividend on April 20 from DM10 to at least DM12, analysts said. Fellow chemical Hocchst, which said it planned to increase its 1988 dividend from the previous year's DM11, rose DM 110 to DM304.80.

Insurer Allianz gained DM45 to DM1.740 after announcing it had bought 51 per cent of Span-

NATIONAL AND REGIONAL MARKETS

Figures in parentheses show number of stocks per grouping

France (130)..... West Germany (100).... Hong Kong (49).....

Europe Ex. UK (692). Pacific Ex. Japan (224).....

World Ex. US (1887), World Ex. UK (2135),

Australia (89)

Austria (18)

Selgium (63)

Canada (127)

Finland (26)

Italy (98)

Japan (455

There were also suggestions it might he supporting the share price in preparation for a capttal increas

PARIS put in a patchy performance. Speculation boos trading and prices in certain stocks, but initial unhappiness at CGE's offers for subsidiaries Alsthom and Alcatel spurred

The CAC 40 index finished off its lows but still eased 2.68 to 1,663.82, while the OMF 50 index edged up 0.98 to 470.72. Volumes were seen as better than Tuesday's FFr1.6bn.

CGE fell FFr13.50 to FFr417.50 and Alcatel dropped FFr55, or 1.9 per cent, to FFr2.905 on the view that CGE terms for its subsidiaries.

The offers meant a premium of 8 per cent for Alsthom and just 2 per cent for Alcatel using last Friday's share prices, according to Mr Bill Coleman, electronics analyst at James Capel. "That is actually low by the standards we've got used to today. Investors feel short-changed." But Alsthom gained ground in active trading, rising FFr16 to FFr575; it is seen as being the most likely to benfit

from any improved offer.

Perrier picked np FFr91 to
FFr1,780 and parent company
Exor rose FFr70 to FFr1,379 both increases of 5.4 per cent — on renewed rumours of a

possible takeover of Perrier.

AMSTERDAM had a slower day, but ended at its best levels, with the CBS tendency index reaching another year's high of 175.6, a rise of 1.1. Volume was Fl 638m, down from Fl 951m on Tuesday.

Nedlloyd was the second most active stock, rising Fl 3.80 to Fl 348 on further speculation about a possible takeover by Holland America Line. Textile

TUESDAY APRIL 4 1989

US Oollar index

ock Nijverdal saw the day's third most active trading as 190,000 shares, or 5 per cent of its capital, changed hands, it eased Fl 2 to Fl 94.50 after its strong gain on Tuesday on news it was selling its South

African assets Insurer NatNed gained 20 cents to F1 63.50 while Amey lost 20 cents to F1 51.80 after both posted results in line with

Heineken, which published its annual report, gained FI 3.20 to FI 153.20. The planned retirement of chairman "Freddy" Heineken raised speculation that the company might become the subject of a

takeover bid. ZURICH saw further gains in engineering and electrical stock, with the Credit Suisse index up 2.8 at 566.5.

News that Omni Holdings had boosted its stake in Sulzer to 30 per cent pushed Sulzer shares up SFr175, or 3 per cent, to SFr5,600. Brown Boveri was in demand again, with its bear-ers climbing SFr135 to SFr3,450 and its participation certifi-cates up SFr22 to SFr552 One salesman said a Swiss bank had a huy note on the stock London markst makers had been caught short and were trying to cover their posi-

MADRID saw its gains held in check by profit taking with the general index adding just 0.36 to 291.61 in continued

strong volumes.
BRUSSELS was mostly firmer as the new fortnightly account began and the cash index rose 32.26 to 5,781.36. Arbed benefited from news of its healthy return to profit and gained BFr40 to BFr5,750. MILAN came off in reasonable volume, with mixed interest in blue chips. The Comit

index eased 1.16 to 606.33.

170.16 151.28

126.50 157.00

MONDAY APRIL 3 1989

118.93 100.17 115.09 117.98 149.63 133.03

# Chile poised for a pension fund avalanche

Barbara Durr in Santiago on the bourse's reaction to plans to ease investment rules

HILE'S small but financial market. vibrant stock market is making a stunning brief setback due to the economic impact of the fruit exporting difficulties, the most actively traded shares have risen about 30 per cent and the general index 25 per cent. The most recent upward

push, which follows a steady rise since 1985, stems largely from expectations of an avalanche of capital sweeping into shares later this year from the country's huge, privately administered pension funds. Known as Administrators of Pension Funds (AFPs), they hold some \$3.7bn and are the largest single group in Chile's capital market.

The Government is due to loosen the AFP investing regu-lations to allow greater share-Currently, the AFPs have

only 8 per cent of their capital in shares. The rest is held in fixed rate instruments, which form the hulk of the Chilean

The regulatory changes are moving through the military Government's legislative pro-cess and should be approved in

As proposed, they will allow the pension funds to raise the proportion of shares they own in a restricted group of compa-nies from 5 per cent to 7 per cent of the company's capital and be able to buy I per cent of any other company's shares, as long as they are actively traded.

Until now, AFPs had been harred from investing in com-panies that are 50 per cent or more controlled by one owner. Most companies in Chile fall into that category and only some 203 are publicly traded at all. Of these, just 45 or so companies are actively traded.

The change could bring as much as \$400m to \$530m into

the stock market, according to estimates by two of Chila's prominent financial experts, Mr Guillermo Villaseca of Tanner & Continental Illinois, one

has just launched his own boutique investment bank. CEL. This amount of money

looking for investment will sharply increase Chilean share trading, which last year registered just \$643m compared with a total of \$19.3bn worth of transactions of all kinds at the Santiago stock exchange. Nevertheless, that share turnover has already risen sharply from \$58.8m in 1985.

Mr Ernesto Illanes, of Inver-chile, one of Santiago's top financial services companies, believes the dramatic rise in share prices will push price earnings ratios up from their current level of between four and five to between six and seven by December.
This pension fund-related

boom is the latest in a market that has been hullish since 1985. As the economy recuperated from its 1962-83 slump, the Government's last privatisation campaign and hefty corpo-

of Santiago's largest stock bro-kerages, and Mr Marlo Lobo, a and more share buying in the former Rothschild man who past five years. More relaxed taxation rules and a 1981 law that forced companies to distribute at least 30 per cent of their income as dividend also laid the groundwork. Annual dividend payments jumped from \$197m in 1985 to \$765m in

> rivatisations have increased the amount of stock on offer and multi-piled the number of shareholders. Since 1985, 200,000 people have joined the ranks, many of them workers whose share participation was part of a privatisation scheme.

Debt for equity swaps have also boosted market activity and foreign shareholding. According to the Superintendent of Securities and Insurance, from 1985 until March 1988, the latest period for which figures are available, \$550m from foreign investors has gone into shares, or about a quarter of all foreign investent in that period.

Prospects appear so rosy that a new, completely elec-tronic stock market - the first all-electronic market in Latin America – will be launched in the second quarter, modelled on the US Nasdaq market. The new market, created by those securities dealers who ware excluded from trading directly in the traditional Sant-iago stock market, is expected to absorb a healthy portion of the pension fund shareholding

An undercurrent of caution tugs at the optimism of finan-cial analysts. The uncertainties in Chile's political transition back to democracy over the next 12 months could bring

The upcoming political and economic risks are moderate, economic risks are moderate, and the promising state of the economy is favourable for share trading," said Tanner & Continental Illinois in a recent investor." hulletin. But it advised keeping a broad portfolio and a very close watch on the market.

### ASIA PACIFIC

# Nikkei fluctuates as rally loses momentum

Japan.

INITIAL strong buying by indi-vidual investors and foreigners, encouraged hy stability on the foreign exchanges, pushed the Nikkei average to its sixth consecutive record, agencies report from Tokyo.
But a lack of institutional

support caused gains to peter out and the brosder market ended mixed. The Nikkei fluctuated during the day, opening higher, weak-ening and then picking up again to close higher for the

seventh day running at 33,360.79, a rise of 48.54. The day's high was 33,412.96 and the low was 33,239.58.

The string of seven straight rises has pushed the Nikkei up hy a total of 1,848,39 points, or

5.87 per cent Turnover reached 1.81bn shares, down slightly from Tuesday's 1.83bn, and declines just outnumbered advances by 457 to 431, with 167 stocks

The Topix index gained 11.73 to a record 2,494.74, and in later London trading the ISE/ Nikkei 50 index rose 0.03 to

The big capitalisation issues such as steel and shipbuilding stocks attracted huying attention in initial trade, although

Nippon Steel was the most actively traded stock, ending unchanged at the day's low of Y965 on 136m shares. Kobe Steel followed with 102.6m shares traded, adding Y15 to Y940 after reaching a high of

Kawasaki Heavy Industries came third with 68.6m shares ending steady at Y1,080. The 10 most active stocks, mostly

**SOUTH AFRICA** 

GOLD SHARES retreated as enthusiasm sagged in sympa-thy with the price of bullion which gave up recent gains. Southwaal fell R5 to R153 while Kloof lost R1.25 to R37. Platinums saw some huying interest while the rest of the market remained mixed In

thin turnover before today's Founders Day public holiday. Impala and Rustenburg both gained 50 cents to R45.25 and R57.75 respectively. Industrials group Messina was a shade off at R23.75.

1988/89 High

157.12 116.35 136.68 137.27

180.38

116.57 82.59 126.25 140.28 84.08 158.02 172.67

Year ago (approx)

116.03 92.46 132.18 122.38

120.03 127.47 82.06 77.76 99.30 119.61

127.44

steel and shipbuilding issue accounted for 31.9 per cent of total volume on the Tokyo Stock Exchange. Later in the day, interest

switched to chemicals such as Showa Denko, which gained : Y70 to Y1,800 after 34.8m shares changed hands. Financials also attracted some late buying, while construction and pharmaceutical stocks were in the doldrums. Brokers said the market

could he in for a slight correction from a technical point of view. Charts are also signalling a pause. When the Nikkei 25day moving average index is around the 4 per cent level, this usually means it is time for a slight correction. It finished at 3,92 per cent on Toesday and 3.89 per cent yesterday. Institutional investors have most

stayed sidelined through most of the seven-day rally, although some have been buying this week to mark the April 1 start of the fiscal year, and this was also the case yes

"Institutions are content to

Niikkel average '000

sit back and watch and not pile in at this stage," said Mr Julian Mayo, Tokyo invest-ment representative of Thornton Management Asia. They are waiting for the market to come down a bit before they huy. He added that a pullback of some two to three per cent could speed up buying by

Mar 1989 Apr

There was still lingering concern over possible increases in worldwide inflation and inter-

figures for March, due out tomorrow, will be watched for an indication of whether the -US economy is slowing down. Some analysts said a rise of less than 200,000 in non-farm payrolls, against a 289,000 increase in February, could he such an indication, and that this could hoost bond and stock prices in the US, and in turn in Tokyo. The market expects the unemployment rate to be unchanged at 5.1 per

Investors would also like to see a stronger yen bond mar-ket, brokers said.

The Osaka market also managed further gains, with the OSE average adding 114 points to 31,919 as turnover rose to 182m shares from Tuesday's 169m. Kawasaki Heavy Indus-tries was the most active stock,

Roundup FURTHER selling of blue chips

rising Y10 to Y964 on 15.4m shares traded.

left Sydney weaker for its sixth

although off its lows - while Singapore was affected by the local holiday in Hong Kong, as institutional activity dried up. AUSTRALIA managed to recoup some lost ground on late bargain hunting and the All Ordinaries index finished with a reduced loss of 7.1 at

CSR was firm in spite of reports of widespread damage to its Queensland sugar crop from the cyclone there, and the stock gained 1 cent to A\$3.97. IGL Australia found 4 cents to 30 cents with a special sale of 2.9m shares traded.

Turnover was modest at 81.2m shares worth A\$184.8m. SINGAPORE was knocked by a lack of buying interest on the part of institutions and by selling by private investors, and ended lower in moderate trading.

The Straits Times index fell 1.99 to 1.191.26 and turnover dropped to 78m shares from Tuesday's 87.4m. Landmarks Holding was the day's most active issus, adding 2 cents to 531/4 cents with 4.5m shares

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ALFA-LAVAL World leaders in centrifugal eparators, plate heat exngers and milking machines. 200 companies in 140 countries with 50 manufacturing units. 18,000 cmployees all over the world.

ASEA Owas 50 percent of Asea Brown Boveri, the world's leading electro-technical group. Besides its ABB hold-

ing, ASEA is operating in such business areas as power production and distribution, tracked vehicles, marme and offshore cranes, hydraulies and shipping. ASEA also has large boldings in Electrolinx, ESAB and Sila.

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CARDO

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One of the world's largest manufacturers of white-goods. Also has a strong

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One of the world's leading producers of pulp (MoDo CeilKraft), fine paper (MoDo Paper), newsprint (Holmen Paper) and peperboard (Iggesund Paperboard). Turnover: GBP 2 billion.

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**FT-ACTUARIES WORLD INDICES** 

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Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

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138.06 125.41 125.68 106.09 124.87 125.21 105.06 142.61 142.92 120.65 120.93 +0.8 | 125.19 | 131.27 | 2.25 | 142.90 | 125.66 | 130.95 | 146.51 | 136.83 | 127.47 The World Index (2451)... 144.09 Base values: Dec 31, 1986 - 100; Finland: Dec 31, 1987 - 115.037 (US 5 Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 - 139.65 (US 5

base values: Dec 31, 1765 - 100; Finland: Dec 31, 1767 - 115.037 (05.5 index), 75.771 (round Sterling) and 123.22 (Local).
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Amendments to indices for April 3 applied to Stegapore and the related regional indices.
Latest prices were unavailable for this edition.

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### **ACCOUNTANCY COLUMN**

# West German firms coming out of their shells

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ing from a relatively introspective, national viewpoint, it is now beginning to adapt to wider international change The transition echoes change underwey across the Conti-

The introspection of the German market has meant that some firms still thrive by concentrating on traditional sudit services while their foreign counterparts have developed into a wider range of services. A number of factors have

helped to keep the German pro-fession in the dark ages of accountancy till now.

The first is, ironically, the strength of the German economy. Germany has been regarded as the European stronghold which the international accountancy firms have not been able to penetrate.

The power vested in the national German firms through the sheer economic through the sheer e muscle of their audit clients has given the firms a high level of independence from their international associates and allowed them to dictate the terms of their involvement with international firms.

This has resulted in them being slow to adopt the sort of developments seen elsewhere. And, for the same reasons. the international firms which set up their own offices in Ger-

- Arthur Andersen,

THE WEST German Peat Marwick, Ernst & Whin-accountancy profession is com-ing out of its shell. Still operation of the push their less tra-ing from a release. ditional non-audit services to make an impact on the market. Secondly, tight regulation, for instance in areas such as advertising, has held back development. This in turn has helped to restrict the level of

etition between firms. These forces can produce what may appear to be odd results. Strategic decisions are made on the basis of national considerations rather than international ones - perhaps surprisingly at this stage of the development of Europe's interthe grande dame of the profes-sion, Trenarbeit, associated with Price Waterhouse, to join forces with Treuhand Vereinigung, the Coopers & Lybrand firm. While the link-up more or less doubles its individual national resources, it more or less halves the combined inter-

ational opportunities. The danger signs for the tra-ditional epproach are clearly there. The German banks have been entering the consultancy market for small and mediumsized companies. Deutsche Bank acquired consultancy group Roland Berger for this end and Dresdner Bank and

Hence, the recent decision of Deutsche Treuhand Gesellschaft signed a cooperation agreement in October.

The prohibition on advertising -- so severe that it used to he e virtual prohibition on competition -- is being chipped away at the edges year after-year. Fee-cutting is now much more commonplace

The watershed for many smaller accountancy firms will be the implementation of the European Community's 7th Directive, requiring consoli-dated accounts from January 1990. Many medium-sized and even small German companies hava foreign subsidiaries and accountancy firms will need reliable and comprehensive facing all the national firms is international associations.

Dr Gadomski of Treuverkehr said: "The 7th Directive will restrict the number of firms which are available to do work for multinational companies which are based in Germany. Any firm which is complacent in its attitude runs the risk of going under because eventually something will happen. It won't happen in Germany, it will happen outside."
Some of the smaller national

firms are merging with the larger ones - moves which are a sacrifice of independence for

the sake of survival. However, the main challenge

the need and the demand for a diversification of services eway from the traditional reliance

With the exception of Schitag Schwäbische, associated with Arthur Young, the top national firms earn about 75 per cent of their income from audit and related services.

Although the eudit market itself does not appear to be growing the market for related services is. Jürgen Schultzke of Arthur Andersen puts the growth et 25-35 per cent a year.

The international firms (and Schitag) earn only about half of their income from audit and related services and they have e much greater focus on management consultancy, particu-larly in the field of information technology. Beyond informa-tion technology, however, the range of consultancy services is still reletively narrow. Human resources consultancy, for example, is not seen as the domain of the eccountancy

firms.
Schitag believes it is unusual among the accountancy firms in offering e broad range of consulting services that includes strategic planning, specialist insurance services and legal and actuarial advice. This could become the model for the rest of the German accountancy profession as it comes out of its shell in the

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and by acquisition. The Group operates in the plastics industry primarily as an intermediate manufacturer of

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Michael Fahey, Ref. 165,

# Influence of bank ownership still traceable

were founded and owned by banks— something that accountants in countries like the UK should bear in mind when considering who should be able to own shares in auditing firms, writes Neasa-

Ownership by banks was especially common among firms which were created before 1931, when the audit requirement was first introduced. Since then there has been a gradual divestment by the banks, although in most cases close links have

Trenhand Vereinigung, for example, was founded by the Dresdner Bank and owned by it until 1938 when the senior ment bought out the bank. Never-

& SECURITY

ss, the links are still strong. The influence of former bank ownership is still traceable among many accountancy firms, although the firms argue that it is not significant.

Deutsche Waren Trenhand (of BDO Binder) earns less than 1 per cent of its turnover from trustee work - a hangover from the pre-1945 days when it was minority-owned by a bank.

Senior partner Hans Heinrich Otte said: "So far as services provided are con-carned, bank ownership makes no difference at all to the accountancy firms. But even when these connections between banks and accountancy firms have finished, they remain on friendly terms. In a parallel situation, Treuarbeit,

majority-owned by the federal and local governments until the end of last year, has a high profile within the public sector. One disadvantage to the firm of reducing the Government's shareholding is that Trenarbeit will no longer be the obvious choice for public work.

The European Community's 8th Directive, limiting external shareholdings to 49 per cent, was not popular with the German accountancy profession when it was implemented in January 1988.

implemented in January 1988. Since the banks and other external shareholders had not interfered in the day-to-day running of the firms or with confidentiality or standards, the profession did not see ownership as compromis-

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skills required to motivate and build a team. The remuneration package will include a profit related

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South London

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An application form, job description and further Information may be obtained from the Personnel
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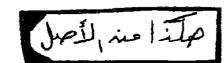
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# Financial Director

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ACA or ACCA qualified, you should have had broad experience of accounting. Knowledge of spreadsheet systems would be an advantage.

If you are interested please write to or If you are interested please write to or telephone our Human Resources Consultant, Audrey White, Self Serve Hygiene Limited, Central Avenue, East Molesey, Surrey KT8 0HH. Telephone: 01-941 3033.

# TREASURY ACCOUNTANT

**GROUP** 

#### **West London**

Beecham Group plc is a leading pharmaceutical and consumer products company with a turnover of £2.5bn, profits of over £400m and operations in over 30 countries worldwide.

An exciting opportunity now exists for a qualified accountant to play a major role in the continuing development of the sophisticated and expanding Group Treasury Department. Reporting to the Director of Treasury you will be responsible for a wide range of accounting, budgeting, reporting and management activities, including specialist group finance companies in the U.K. and overseas.

You need to be a self-starter with good planning skills, who can demonstrate relevant experience including the preparation of management and statutory accounts, ideally gained within a banking or sizeable corporate treasury environment. Thriving in a team atmosphere you will be expected to set high standards and 'add value' to this position.

The competitive salary package is dependent on experience and qualifications. Performance will be rewarded and there are excellent

Please write enclosing a comprehensive c.v., stating current salary and daytime telephone number to: Ms T McKay, Group Personnel Manager, Beecham Group plc, Beecham House, Great West Road, Brentford, Middlesex TW8 9BD.

Beecham Group

Beecham

'Improving the value of higher education'

# **Financial** Accountant

up to £25.689 pa inc.

PNL is one of London's leading polytechnics, a centre of academic excellence open to the whole community and attracting students from all parts of

Education is changing, PNL is growing and our academic and research activities are broadening on all fronts. The challenges and opportunities in financial management to contribute to the value of education have never been as great — or as crucial to the dealerment have at DNI.

its development here at PNL.

This, therefore, is an opportunity at the right time for an innovative, commercially aware, computer literate, qualified accountant (ACA, ACCA, ICMA) preferably with 2 or 3 years post-qualification experience. A person capable of taking the lead in developing and managing systems to monitor and control day to day accounting operations and of providing accurate financial information and high quality advice to senior management. An ability to communicate this clearly and effectively to both academic and non-academic colleagues is essential.

Closing date: 21st.April 1989. Ref: B127/Ff.
Application forms and further details can be obtained from the Personnel Office, The Polytechni of North London, Holloway Road, London N7 8DB. Tel: 01-809 9913 (24 hour answering service).
We are an Equal Opportunities Employer and seek to recruit from the whole community.

THE POLYTECHNIC OF NORTH LONDON

#### MANAGEMENT ACCOUNTANT E.C. LONDON £18K - £22K

Our client is privileged to have been involved in some of the most innovative publications of recent years. They have carved out for themselves an enviable reputation as one of the most respected publishers in their field. Annual turnover is approaching £6m.

They are now poised for further expansion but recognise the need for improvement management information. They therefore wish to recruit a skilled Management Accountant to be responsible to the Company Secretary for all accounting and financial aspects of the

You will be a Qualified Accountant with several years experience in industry, ideally including some in publishing. Age is not a critical factor, provided you have drive, initiative, self-mutivation and can communicate effectively. Good working knowledge of computer-based systems is essential.

An attractive remuneration package is offered and there are excelle prospects for someone who can demonstrate commercial flair and the ability to get things done as an individual and as part of a team.

Please send concise details, including current salary and daytime telephone number, quoting reference TB/CB, th Box Al 195, Financial Times, One Southwark Bridge, London SEI 9HL

# Qualified Accountant

#### **Financial Control in an International Operation** Central London \$30,000 + car + benefits

Merrill Lynch offers a comprehensive range of financial services to institutions, corporations, governments and individuals. Due to expansion weare now seeking a fully qualified accountant to head a team at our Central London headquarters.

An excellent opportunity to gain an in-depth understanding of our non-trading operations, the post will report directly to the Manager, Financial Accounting and Control, and be responsible for ensuring that accounting information is effectively processed for cost centres across Europe, and balance sheet accounts are reconciled and reviewed. You will also be concerned with leasing, fixed assets, bank reconciliations, VAT, accruals, prepayments and allocated overheads.

For this high profile position we are looking for at least 3 years' post qualification experience in a large multi-cost centre commercial or financial environment. You should also be computer literate, have strong communication skills, and.

You should also be computer literate, have strong communication skills, and,

ideally, some management experience. In return we offer an excellent employment package including large company benefits. There are also excellent prospects for promotion to senior management To apply, please write with full career details to Anne Gormley, Recruitment Manager, Merrill Lynch Europe Ltd, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY.



A tradition of trust.

# **DEPUTY HEAD - TAX**

City from £35,000+car+benefits

Our client is one of the leading UK financial institutions whose activities span retail and merchant banking, unit trust management, specialist mortgage lending and a range of commercial and overseas activities. The central tax department services the whole

The Deputy Head will report to the Head of Group Taxation and will supervise a small team of qualified staff. The person appointed will have involvement in all aspects of the Group's tax affairs, managing the day to day compliance issues of the Group; and, on the planning side, there will be the provision of advice on acquisitions and disposals; liaison with subsidiary company management

and with professional advisers; and input into strategic tax policies in the UK and overseas. A broad range of compliance, planning and international experience is required. Candidates should either be graduate chartered

accountants who have moved into tax with a major accountancy firm and are now seeking their first commercial appointment; or they may already be in a tax management role in a major group. Candidates straight from the Revenue will also be considered. The remuneration package, which is negotiable, will include a company car and a package of

Please write in confidence with career details, quoting ref 4715 to John Hills.

finance sector benefits.

# **KPMG** Peat Marwick McLintock

Executive Selection and Search 70 Fleet Street, London EC4Y 1EU

# A key role in an atmosphere of change CITY TREASURER Up to £,37,500

Financial Management in Local Government has probably never been such a key issue as in today's climate of change. Central Government influence, the introduction of competitive tendering for works and services and implementation of the new Community Charge legislation are just a few examples.

The priorities will be to provide financial and economic advice to the Council, make a full contribution to the corporate management of the Authority and manage a large financial department of over 300 staff. Bristol itself, also provides its own unique challenges, being the largest non-metropolitan borough (employing in excess of 5,700 staff) and encompassing an unusually wide range of activities including responsibility for the Port of Bristol Authority.

Clearly, the person we are looking for will be a professionally qualified accountant and will already have financial management experience at the highest level, involving large capital expenditure and revenue budgets (probably in excess of £300m p.a.). He or she will be . capable of managing a large department, injecting new ideas and developing new systems to meet changing requirements. As a key member of the City Council's management structure the ability to contribute to its future direction is essential.

For further details and an application form telephone (0272) 222710 or write to the Recruitment and Administration Officer, The Council House, College Green, Bristol, BS1 5TR, quoting job reference number CT001/FT.

Applications must be returned by 20th April.

The reward package includes:

Assisted car purchase scheme for designated car users

30 days paid holiday + 8 Bank Holidays per year

Relocation scheme up to £4,500 Attractive Pension Scheme

Subsidised restaurant

Excellent maternity provision and return to work

training schemes An option for Job Share working

Progressive training opportunities

BRISTOL CITY COUNCIL AN EQUAL OPPORTUNITY EMPLOYER

# Transfer Pricing Specialist £40,000 + Car

Price Waterhouse has established an international network of transfer pricing specialists in key countries. The success of our London transfer pricing unit has stimulated the need for an additional senior tax consultant to join this specialist team.

You should have: - a professional qualification, or Revenue equivalent

- large client corporate tax experience -a keen interest in conducting negotiations and controlling large isnational projects

- a high level of commercial

- an ability to develop analytical and problem solving skills.

You will have regular meetings with clients at the highest levels.

Extensive world-wide travel will be

if you would like to find out more about careers in this expanding unit please write to Terry Symons, enclosing a brief CV.

Terry Symons Price Waterhouse Southwark Towers 32 London Bridge Street London SE1 9SY.

Price Waterhouse

OFFICES IN LONDOM - ABERDEEN - BURINNICHAM - BRISTOL - CARDIFF - EDINEURCH - GLASCOW - LEEDS - LEICESTER - LIVERPOOL - MANCHESTER - MICRIESE REWCASTLE - NOTTINCHAM - REDHULL - ST. ALBRAIS - SOUTHAMPTON - WINDSOR - ASSOCIATED FRINS 181 (RELAND AND THE CHARMEL, ISLANDS

# Financial Controller

### CONSUMER MAGAZINES

London Punch Publications Limited is part of United Consumer Magazines, a division of United Newspapers plc. The

company publishes twelve leading magazine titles including Punch itself and the recently launched joint venture Auto Express. A new, more aggressive, business programme has created a position for a Financial Controller. Reporting to the Managing Director you will be responsible for effective provision of the complete range of

accounting functions, including the preparation of monthly management and financial accounts, assistance with forecasts and annual budgets and the further development of computerised information systems. You will have an Accounts Department

of twelve, based at Milton Keynes, to help you. Probably aged 25-35, with at least two

years post-qualification commercial experience and sound management skills, you will need a sympathetic understanding of the publishers' own special business requirements and the flair to see practical solutions quickly. Publishing industry experience would be a

distinct advantage. Initially based in Hampstead Road, NW1 you will be Initially based in Hampstead Road, NW1 you will be moving to United Newspapers' prestigious new office development in Blackfriars Road in July. The position development in Blackfrians Road in July. The position Carries an excellent remuneration package.

Please write enclosing a full c.v. to Julian Chandler,

Personnel Manager, Punch Publications Ltd, Greater London House, Hampstead Road, London NW1 7QZ. Tel: 01-387 6611. If you would prefer an informal discussion you can contact him at home in the evenings on 01-658 0926.

# FINANCE AND OPERATIONS MANAGER

# **Japanese Securities House**

London £45-50,000 + excellent benefits package

Our client is a 100% securities subsidiary of Responsibilities will include: one of the leading Japanese Banks. The London operation, recently recapitalised and with a 1988 t/o of £30 million, is amongst the key centres of the organisation's international network.

A chartered accountant with three to five years' operational experience, you must be well versed in back office routines, with good motivational and team building skills. One of the initial tasks will be to implement a new computerised securities system. The appointee will be internationally orientated, open to ideas, discussion, constructive criticism and, needless to say, be reliable and Updating and controlling back office

Management reporting and financial

Reviewing product profitability and

monitoring thereof Ensuring compliance with the regulatory

If you are interested in this senior appointment please write, enclosing full CV, including remuneration, day and home telephone numbers, quoting ref D4111, to James Forte.

### **KPMG** Peat Marwick McLintock

**Executive Selection and Search** 70 Fleet Street, London EC4Y 1EU

# **Group Finance Director**

### **SURREY**

PACKAGE c£40,000 + CAR

This is a new tole and a key appointment in the continued development of a highly entrepreneurial, market-led services group. Our client has established itself successfully in a niche market and turnover for 1989 will be around \$16m. Poised for further expansion and diversification, their longer term plans also include flotation.

As Group Finance Director, reporting to the Managing Director, you will assume total responsibility for the full finance and MIS functions and will additionally manage the warehousing and distribution operation. You will be expected to actively participate in the strategic development of the Group,

which in the longer term could provide an opportunity to move towards general management,

This unusually demanding appointment calls for an entrepreneurial, qualified accountant who can support and contribute to fast moving initiatives on the one hand yet provide essential controls and information of operating level on the other. Probably in your late twenties or early thirties, you should possess broad based financial skills and previous experience of senior line cino previous experients; atthough this may well be your first finance Director past. The oblight to work clasely with a young, exceptionally committed management fearn is essential.

Write in confidence, with CV, including daylime telephone number and current remuneration details to Ann Shepherd, Ref: ASS42, Coopers & Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London EC2V 7DQ.

Executive Coopers Resourcing & Vorand 1.10

# 'Hands-On' Role in a Commercial Environment FINANCE MANAGER



### **London Docklands**

Our client, an autonomous business unit in the service industry and part of a major multinational group, is seeking an experienced commercially minded qualified accountant to head up its finance

Reporting to the Executive Director and supervising a small team of staff, this high profile role will involve extensive liaison with operational

Responsibilities will include:

Financial/Statutory Accounting

 Management reporting and ad hoc analysis Budgeting and forecasting

Systems development

Company secretarial matters

c. £25,000 + Car

The breadth and responsibilities of this role requires that candidates should be confident self starters, technically capable and have excellent interpersonal skills. Candidates with the requisite level of experience are unlikely to be aged

In the longer term prospects exist to move within the group either in a financial or general management role.

Interested individuals should write. enclosing a current CV together with salary details, to Shirley Knight BA, ACMA, MBA at FMS, 14 Cork Street, London WIX 1PF (Rd: 01-491 5431).

Search and Selection Specialists Financial Management

# FINANCIAL DIRECTOR

### Milton Keynes

Anson Plastics is a recently-acquired division of McKechnie Plastics Ltd., part of the growing McKechnie Group of Companies manufacturing Extruded Plastics.

The Division principally supplies the automotive industry in the UK and abroad. With a current turnover of £10m per annum Anson has grown at a rate which is in excess of 15% per annum in real terms over the last five years.

In order to exploit further growth potential we now seek to strengthen our new management team by the appointment of a high calibre Financial Director.

A good "team player", you will quickly establish efficient target-setting, budgeting and financial planning systems. Inheriting a small hard-working accounting unit you will

c£28,000+Car+Benefits

need to possess good man-management and communication

You should have a record of success in financial management, sound judgement and business acumen, together with the capacity, flair and initiative to contribute effectively to the general management of the business.

Experience gained in a batch production environment is advantageous as is a "hands-on" approach to computer

The remuneration package includes good basic salary, performance related bonus, company car, pension scheme, private health insurance and relocation assistance where necessary.



Please send c.v. details, in the strictest of confidence to: Mr. D. Lenham, McKechnie pk., Leighswood Road, Aldridge, Walsall, West Midlands W59 8DS.

# FINANCIAL CONTROLLER **Leisure Sector**

### Strasbourg to £40,000 + benefits

Our client is one of the newest but fastest. expanding companies in the leisure industry. Present and future interests in the UK include discotheques, bars, bowling centres and caravan parks and plans include considerable expansion in mainland Europe. Following recent acquisitions, it now has interests in several discotheques and restaurants in France and is seeking a Financial Controller to oversee all accounting and financial management for these operations.

The person appointed will be based in Strasbourg and will direct all financial, management and statutory accounting, implement computerised systems, enhance the provision of management information

and review acquisition opportunities. This is a broadly based role requiring a willingness to become involved in all day-to-day accounting matters, whilst advising Directors and contributing to financial

Candidates should be graduate chartered accountants, fluent in French and familiar with French accounting requirements and procedures. This is an exciting opportunity to join a company whose executives have a proven track record in the sector, sound financial backing and an innovative and entrepreneurial approach.

Please write in confidence, enclosing full career details, to James Forte, quoting reference W4324.

# **KPMG** Peat Marwick McLintock

Executive Selection and Search 70 Fleet Street, London EC4Y 1EU

### **FINANCE DIRECTOR**

To help a profitable manufacturing operation capitalise on its success

Package up to £40,000 + car, or even more

Essex

Arguably it is more difficult to improve on success than to initiate recovery: the appointed candidate will be starting from a thoroughly successful base, so the challenge is self evident. You will have that restless drive that persuades you that next year's performance can and should always be even better-and you won't even understand the concept of resting on your laurels. Our client, turning over around £40 million and part of a major building components group, has an enviable profit record in a particularly competitive market sector. The products, a complex mix of basic and assembled components, involve several distinct manufacturing techniques, so we need you to be sharp enough and young enough (probably early to mid thirties) to enjoy keeping several balls in the air. As a key member of an established and highly professional management team, you will need to demonstrate a total mastery of all aspects of manufacturing costing and control systems, the ability to analyse and interpret results in a practical, profit-conscious way, and complete computer literacy (the installation is part of your responsibility). Ideally CIMA qualified, you will certainly have a CIMA approach. You will respond to the incentive element of the remuneration package, will be excited by the group's career prospects, and will be good enough to take advantage of both. Please send full career details, quoting reference WE 9075, to Terry Ward, Ward Executive Limited, Academy House, 26-28 Sackville Street, London W1X 2QL Tel: 01-439 4581.

### WARD EXECUTIVE

Executive Search & Selection

# FINANCE DIRECTOR

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Cambs £40k + substantial bonus + car + benefits

USM quoted, our client is an established leadingedge micro-computer technology company with a reputation for pioneering sophisticated systems and a market leader in its field.

The role of Finance Director offers the opportunity to contribute to and influence the future direction of the Company as part of a strong and professional management team.

You will have responsibility for a department of thirty, handling all financial, budgeting and company secretarial matters affecting company performance.

A key area includes managing and developing in-house systems and driving the company's office automation

Broad business skills are of key importance and emphasis is placed upon commercial input to directing and controlling the business which will require considerable strength of character and excellent skills in managing staff.

A qualified accountant with at least eight years post qualification experience within industry, some of it gained at a senior level preferably in a UK plc, your experience must be supported by the ability to establish and meet objectives and liaise effectively across other divisions. The appointment carries an excellent salary and benefits package.

Interested applicants should write enclosing a comprehensive CV to Susan Haworth, Manager, quoting ref. 109311.

MANAGEMENT PERSONNEL Sheraton House, Castle Park, Cambridge CB3 OAX C 0223 462244

# O D Management Personnel RECRUITMENT SOLUTIONS LONDON GUILDFORG ST. ALBANS WINDSOR NEWBURY BRISTOL CAMBRIDGE

### FINANCE DIRECTOR c£30,000 EAST SUSSEX

+CAR+BENEFITS

Already a market leader in their field, my client requires an individual of sufficient calibre to join the senior management team, and play a leading role in their business development.

As a qualified accountant, your technical and commercial skills will have been demonstrated through your career to date. Equally important are your management, inter-personal and business development abilities. Enthusiasm and the will to become involved in all aspects of the business is essential. Experience in a manufacturing environment and of the implementation of computerised systems would be helpful, as would a determined and confident manner in haison with sales and production management.

This is a first rate opportunity to join a dynamic business with unlimited potential. A solid record of organic growth is to be consolidated through acquisition, and obviously the Finance Director will play a key part in THE REPORT OF THE PROPERTY AND ADMINISTRATION OF THE PARTY AND

Rewards are commensurate with the importance of this appointment. In return for an exciting long term opportunity, a salary of c£30,000 is available plus a car, and a range of attractive benefits.

If you are interested, please write with full C.V., stating your current salary to:

Philip Wickham Gabriel Duffy Consultancy 130a Western Road Brighton East Sussex BNI 2LA Telephone: (0273) 29822 (daytime) (0273) 722392 (evenings/weekends)

# **Financial Controller** Special Assignments **North America**

### **Boston Based**

Neg. Salary

Williams Holdings PLC, with a turnover approaching £1.2 billion, has achieved exceptional growth organically and by acquisition through manufacturing units having leadership in their markets in the UK, Europe and North America. The Company now wishes to strengthen its post acquisition team in North America.

This is a senior, commercially orientated appointment demanding extensive travelling and periods away from base. A two year term in the special assignments team in North America, taking responsibility for the future direction and integration of acquired companies, is likely to be followed by a senior management appointment in the US or UK.

The successful applicant will be a qualified accountant, aged 30-40 with senior line management expenence in the manufacturing sector and a background which includes acquisitions, company doctoring and computer based management information systems. Ideally applicants should have worked in the US or for a US company. This appointment commands an exceptional starting salary with supporting benefits.

Please write in confidence quoting reference 9617/2 and submitting a curriculum vitae including salary details to:

> Peter Childs Director Pannell Kerr Forster Associates **New Garden House** 78 Hatton Garden

Pannell Kerr Forster Associates **LONDON ECIN 8JA** 

# Group Financial Director

North East up to £35,000

Our client is a manufacturing and service sub-group of a North East based pic with operations throughout the world.

The plans for the group include expanding its operations and improving existing profitability. The existing Financial Director is moving into a holding company role and we therefore need to appoint a successor to play a key role in the future business development.

The company operates as an

autonomous unit, but is required to provide accurate, relevant and timely information to the holding company.

The successful applicant will be required to assist the Managing Director to improve company performance through enhanced information and control systems and staff development.

Candidates should be qualified accountants aged between 30 and 45. A sound commercial approach to business issues will be an essential

attribute and knowledge of IBM mini-computer systems is highly desirable.

In addition to the substantial salary above an executive benefits package is offered for this challenging position. Candidates should write

enclosing a current CV to: Charles Keeling **Executive Selection Division Price Waterhouse** 89 Sandyford Road

Newcastle-Upon-Tyne NE99 1PL

Price Waterhouse



# Assistant to Chief Accountant

Make your mark with a world leader

Luton based

In the fast-moving, highly competitive civil aviation industry, Britannia Airways Limited, part of the International Thomson Organisation, has maintained a very impressive record of growth. We are now the world's largest charter operator and the UK's second largest airline, with turnover approaching £500

The Finance Division plays a key role in maintaining a focus on operating a cost-competitive business so essential to our continued success and growth. In order to maintain quality in this area we are now looking to appoint an Assistant to the Chief

Joining a strong finance management team and reporting directly to the Chief Accountant, you will enjoy a diverse range of challenging responsibilities. You will be responsible for the day-to-day management of a small accounts team, revenue analysis and the maintenance of efficient control and reporting systems.

Currently we are reviewing our computerised accounting systems. Your input will be essential in the final selection and implementation of any new or upgraded system. And, as your

**Executive Remuneration Package** 

understanding of our business procedures and systems grow, you will develop your role to take in a wide variety of ad-hoc projects. Our need is for a qualified Accountant – either Chartered, Certified or Cost and Management – aged 25-35, with at least one years' post-qualification experience. With excellent working credentials and an innovative and enquiring approach, you possess first-class all-level interpersonal and communication skills together with previous people management experience. Computer literate, you are fully aware of the role of computerised

systems in accounting.

This is a high profile career building opportunity, demanding a special blend of technical skills and personal characteristics.

For the right person the rewards are excellent, a highly competitive salary enhanced by a worthwhile range of large-company benefits, including relocation assistance. In the first instance please send a comprehensive CV

including current salary to Mrs C. Hindes, Personnel Officer, Britannia Airways Limited, Luton International Airport, Luton, Beds. LU2 9ND.

N Britannia

### **Senior Financial Executive**

"...a high profile general management role with significant Treasury content"

North of England

Salary Indicator £50,000 + car + executive benefits

This rare career opportunity has arisen with a Probably aged 35 plus and a qualified CA, you major "blue chip" organisation operating within

the service sector. It is presently undergoing a period of rapid investment and diversification which presents a highly stimulating environment in which to secure career progression.

As a full member of the Executive management team you will contribute to the overall management of this vibrant and progressive business. Your responsibilities will include financial accounting and financial planning, a major Treasury function and the evaluation and monitoring of future investment projects and new product development

will be educated to degree level. Already at the top of your profession, your career in finance will have been directed towards obtaining a substantial general management role; in addition, you will have the ability and the vision to lead the function through this next critical stage of expansion and development.

Salary for discussion as indicated though this need not be a limiting factor; the executive benefits package includes a non-contributory pension scheme and assistance with removal expenses, where appropriate.

Please write - in confidence - with full details. Chris Brooks, Ref 62166,

**MEL** International

MSL International (UK) Limited, Sovereign House, 12-18 Queen Street, Manchester, M2 5HS.

Offices in Europe, the Americas, Australasia and Asia Pacific.

# THE SKIPPER GROUP LTD

### Head of Management Services c£30,000 + Car

Manchester

The Skipper Group is one of the UK's leading motor vehicle distribution groups operating from over 20 locatious encompassing franchises including Ford; Vauxhall/Opel; Audi/Volkswagen; Toyota; Mazda; Chroen; Bedford; Iveco Ford; Renault Oodge; Seddon Atkinson and Leyland DAF. Recent and further strategic acquisitions augmented by organic growth has created the oeed to strengthen financial and operating controls across the Group.

Head of Management Services is a key appointment and you will be a member of the senior management team, with wide ranging responsibilities, incloding control of a small operational audit team, recruitment and training of accountants for future developments, projects and acquisitioos.

Management Services is a high profile function that reports directly to the Group Financial Director and will require continual listsoo with operating

personnel and general management. Whilst based at the Group's headquarters in Manchester, there will be considerable travel in the UK and some mid-week overnight stays from home.

es, aged 30-40 should be qualified accountants with intuitive commercial acumen, who can demonstrate a strong track record to date, with the ambition and determination required to succeed in a competitive environment. Remuneration will not be a limiting factor and will include an excellent basic salary, profit share and company can.

Opportunities for advancement within the group will be limited.

For further details please write quoting ref 3100 to Isin Blair ACMA at Michael Page Finance, Executive Division, Clarendon House, 81 Mosley Street, Manchester, M2 31Q, or telephone 061-228 0396.

#### Michael Page Finance International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

# EYFINANCIALAPPOINTMENTS

### 1) INVESTMENT MANAGER 2) FINANCIAL CONTROLLER

C£25,000 + CAR + BENEFITS - S YORKS/NOTTS AREA A major British Construction and Mining

Group already successful in very strong market areas is currently expanding through business growth and acquisition.

To meet the group's growth plans an Investment Manager and a Financial Controller

The first position will be involved directly with the identification of good investment opportunities, carrying out investigative work and bringing acquisitions to successful

The second appointment will carry an equal level of responsibility but will be mainly involved in setting up, planning and running all financial aspects of newly acquired companies.

Applicants for both appointments will be qualified accountants probably aged 35-40, though not fixed, and must be capable of establishing and running computerised accounts systems. Strong communication skills and the determination to succeed are essential. Previous investigative experience and sound analytical judgment are particularly important for the first appointment.

Excellent benefits packages include salaries of £25,000, company car, non contributory pension scheme, BUPA and relocation expenses where appropriate.

Please write with full CV to Bob Pont, PER, Fitzwilliam House, 2/4 Fitzwilliam Gate, Sheffield, S1 4JH.



### RECRUITMENT CONSULTANCY



# QUALIFIED ACCOUNTANTS

Petrofina (UK) Limited, the fully integrated UK subsidiary of one of Europe's largest oil and gas companies, is currently seeking to enhance and develop its upstream Exploration accounting function.

### **FINANCIAL ACCOUNTANT**

The successful candidate will have full responsibility for statutory and group accounting requirements, ledger control, control and analysis and recharging of in-house expenditure to exploration and production projects and control of time-writing system. Responsible for two staff. Ref. No. PS/89/31.

### **MANAGEMENT ACCOUNTANT**

Responsible for collection, analysis and management reporting of exploration and production project expenditure: sales, production and stock accounting, preparation of sales and expenditure forecasts in liaison with technical staff and liaison with Tax Department on tax matters appertaining to sales and expenditure. Responsible for three staff. Ref. No. PS/89/13.

Both positions demand high calibre, recently quelified (CIMA/CACA/ACA) accountants seeking a positive move to further their career progression. Experience within the oil and gas industry would be advantageous. Experience of mainframe ledger and reporting systems and advanced Lotus 1-2-3 skills are essential to fulfil these demanding but rewarding roles.

We offer a generous salary peckage, including relocation allowance where applicable, e company car, private medical insurance, contributory pension scheme and other benefits associated with a major company.

Please write with full C.V., quoting the relevant reference number to: Alistair Hempstead, Personnel Department, Petrofina (UK) Limited,

Petrofina House, 1 Ashley Avenue, Epsom, Surrey KT185AD.

Petrofina is an equal opportunity employer.



### EXETER TRUST LIMITED

Assistant to Finance Director

Exeter Trust Limited, a West Country based Commercial Mortgage Bank, is seeking a qualified accountant for the position of Assistant to the Finance Director. The successful candidate, who will be based in Exeter, will be expected to supervise the company's accounting routines and accept responsibility for company secretarial administration and compliance matters.

Applications are invited from candidates who are between 30 to 55 years of age and who can demonstrate suitable post-qualification experience. Knowledge of computerised accounts is essential, and previous experience in banking would be an advantage. Salary will be approximately £25,000 per annum., depending on age and experience, plus other benefits including pension, company car, mortgage subsidy,

Applications and CV's which will be treated in the strictest confidence, should be addressed to

The Finance Director, Exeter Trust Limited, Exeter Trust House, Blackboy Road, Exeter, Devon EX4 6SE

# Group Finance Director

### **Middlesex**

£35-40.000+Car+Benefits

Our client is a £15 million turnover group operating in the international hotel market and specialising in the production, sale and maintenance of a range of high tech service products.

With further interests in computer services, beverage programmes and property, the group is now seeking a Group Finance Director to take responsibility for the coordination and development of group activities in these highly competitive fields.

This key appointment is crucial to the long term strategy of the group and will provide exposure to a wide range of business issues. Reporting to the Managing Director, he/ she will be responsible for the on-going development of sophisticated management information systems, group teporting and the financial control of this diverse organisation.

With activities in the UK, Europe, USA and

Canada the role will require occasional travel, but more importantly, the ability to control a multi-location operation through the effective management of people and information.

This post should be attractive to qualified accountants with several years' experience in a multi-site environment preferably within an international organisation and who can demonstrate a record of true commercial success.

The excellent remuneration package will include a competitive basic salary, car and contributory pension. Assistance with relocation expenses will be offered if

If you believe you have the qualifications and ability to meet this challenging opportunity please submit your

CV in application to: Paul Boardman ACMA,

Executive Division, Michael Page Finance,
Windsor Bridge House, 1 Brocas Street,

Eton, Berkshire SL4 6BW.

Michael Page Finance

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

# Senior Auditor

Bahrain

c. £25,000 (tax free) + generous benefits

The Bahrain Petroleum Company employs some 3,000 people and encompasses not only the mainstream operations of refining and exporting but also associated housing, social, medical, educational and recreational support facilities.

Reporting to and In consultation with the Internal Audit Manager, you will ensure that Company-wide internal control procedures are adequate as well as participate in special Investigations and projects as assigned. This is a wide ranging and all encompassing role demanding high standards in auditing, reporting and subsequent recommendations.

Probably a graduate, you will hold a recognised accounting qualification and have 5 years' post-qualification experience of which 2 should be in an internal audit role using modern techniques.

Living conditions in Bahrain are congenial and the facilities, whether social, recreational or educational, are excellent. In addition to the attractive earnings package there is

a range of generous benefits including free accommodation, paid home leave and assistance with school fees.

Please write in confidence - with full details to John Strang, quoting ref. FT.1287/2.



MSL International (UK) Ltd. 32 Aybrook Street, London W1M 3JL. Offices in Europe, the Americas, Australiasia and Asia Parific

# Group **Finance Director**

Canterbury, Kent

c.£40.000 + Bonus and Car

Our client is a successful and repidly expanding specialist building materials supplier, backed by a group of development capital institutions, for the UK's leading construction companies.

With a current turnover in excess of 57 million, additional acquisitions being considered, and a flotation being planned, the Group has created a new position of Group Finance Director. The Finance Director will be a key member of the senior management team, and report directly to the Chief Executive.

The successful condidate must be a qualified accountant, and will have prime responsibility for all financial affairs of the group including strategy, accurate and complete accounting records, management and statutory reporting, systems and procedures, and regular direct flaison with financial institutions. Since the major growth of the Group is expected to be through a coquisitions, it will be account to the consumption of the control of the a prime responsibility to assist the Chief Executive in this area. idealty aged 30-40, the remuneration will include a performance

retated banus and an executive car. If you believe you have the interest and the qualifications to meet this exciting appointment, please send your CV and a covering letter (including daytime letephone number), qualing ref. FT116, to: J. David Preston,

### **ROBSON RHODES**

Chartered Accountants

Management Consultancy Division, 186 City Road, London, EC1V 2NIL.

### **Churchill College** Cambridge

### MANAGEMENT STUDIES FELLOWSHIP

Churchill College Invites applications for the R W Wright Fellowship in Management Studies from 1 October 1989, The Fellowship in Management Studies from 1 October 1989. The Fellow may be engaged in any area of Management Studies but expertise in Accounting, Finance, Management Economics or Markeling will be an advantage. He or she will be responsible for supervising the R W Wright Studentship scheme. This scheme brings one postgraduate per year to Churchill for Intensive futoring in Management Studies. The Fellow will elso be the College's Director of Studies in Management Studies. In addition it is hoped that he or she will play a full part in the planned development of Management play a full part in the planned development of Management Studies in the University and work with the Management Studies Group in the Department of Engine

The stipend for the Fellowship will be £5000 per year, in addition if the person appointed does not hold a teaching post in the University of Cambridge then the College will pay a supplementary stipend within the range of £10460 to £14500 depending on age and seniority. The appointment will be for three years renewable for a further two years with the presence of further supplements after that time. prospect of further appointments after that time. Further information may be obtained from the Senior Tutor, Churchill College, Cambridge, CB3 0DS to whom applications, including a Curriculum Vitae and the names and addresses of two referees should be sent by 29 April 1989.

# FINANCIAL DIRECTOR

c.£35,000

A highly successful, 'build & design' company is creating very rapid growth, on its current, healthy eight-figure turnover. Thus, a need arises to appoint a Financial Director.

Reporting to the Chief Executive of this company, which is scheduled for flotation in the not too distant future, you will be fully accountable for all the organisation's financial and treasury affairs, supported by a small team that is already in situ. In addition to enhancing existing computerised systems and controls, you will contribute very significantly to profitability, policy reviews and group expansion & development.

preferably possess a degree. Post-qualification experience will essentially have been gained within the construction industry or in allied sectors, e.g., building contracting, store fitting, etc. You will also be accustomed to line management and operating at boardroom levels and enjoy an entrepreneurial The position is now located in Central London but will shortly be moved to

Aged around 30/35 (m/f), you will be a fully qualified accountant and

new premises close to Clapham Junction. In addition to the commencing salary stated, there will be a quality car and a full range of executive benefits, including a pension.

Please write fully, in strictest confidence, stating any organisation to which you would not wish your details to be sent. All letters will be acknowledged and then passed to the client for attention. Applicants must write to - Security Unit (Ref: 9004).

# John Granville Associates PERSONNEL MANAGEMENT & RESOURCING ADVISERS

10 Harrowby Court, Harrowby Street, London WIH 5FA ■ 01-723 2484 Telex 299067 SLAVE G (FAO JGA) "The Only Firm to Select"

# This major conglomorate has a widespread international base with a diverse range of interests in the sales and service sectors. Coupled with a creative and proactive corporate culture, the organisation continues to produce sustained and substantial growth. successful candidate will be responsible for business performance appraisal of retail outlets, developing business strategy and equisition appraisal. In order to carry out these duties, there will be extensive involvement with senior

Reporting to the Director of Financial Planning, the

operational management. The successful candidate will be a Chartered Accountant (under 27) with a good academic background. More important, however, is a proactive approach together with proven negotiating and commercial skills. The role is likely to be

of most interest to candidates seeking to maximise longer term career opportunities offered by the organisation. Please apply directly to Mark Ehrlich at Robert Half.

Freepost, Waller House, Bedford Street, 418 The Strand, London WC2R OBR. Telephone: 01-836 3545, evenings 01-556 3615 . Fax:01-836 4942.

Financial Recruitment Specialists London Birmingham Windsor Manchester

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JOIN THE OUTSTANDING TEAM

An independent group, one of the leading international providers of venture capital and investment banking services, has recently established a significant fund to finance leveraged buy-ins, managed jointly by teams in London and Paris. An opportunity now exists for an Associate to join the Londonbased team.

Investments are expected to be made in several industries, in companies which may require the team's active participation to bring them to fully profitable performance. The successful candidate will play a key role in the financial evaluation and appraisal of target companies. He/she will undertake a wide range of pre-acquisition activities such as screening and due diligence, and will be involved in the structuring and financing of acquisitions. There will also be opportunities to contribute to the subsequent operation and management of companies in which the Group has invested.

Applications are invited from qualified Accountants in their late 20's/early 30's, preferably also with a degree and/or MBA, who can demonstrate a thorough understanding of financial and business analysis as a result of their broad professional experience in a manufacturing/industrial environment.

This appointment offers a superb career opportunity to a person who enjoys a blend of individual initiative and ... integrated teamwork. In addition to having proven financial expertise and sound commercial judgement, he/she will also be an effective communicator, with the ability to develop good working relationships at all levels.

Interested applicants should call Elisabeth Jordan on Windsor (0753) 857181, or write to her with a detailed career resumé at Digby Moore Associates, Mountbatten House, Victoria Street, Windsor, Berkshire SL4 1HE. Fax: 0753 860696.

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APPOINTMENTS

**ADVERTISING** 

Appears every Wednesday and Thursday

for further information call 01-873 3000

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Paul Maraviglia ext 4676

Elizabeth Rowan ext 3456

Patrick Williams ext 3694

Candida Raymond ext 3351

**Patrick Sherriff** ext 4627

### Financial Controller

Ayrshire

c.£30,000 + car package

Our client is a highly regarded international service company, a world leader in its market. The group has an impressive growth record and has a turnover in the region of £70 million.

In order to support their continued expansion programme, they require to recruit a Financial Controller to take responsibility for the total accounting function. Reporting to the Finance Director, the successful candidate will be a key member of the company's management team and will be expected to play an active role in its commercial decision making process.

Specific responsibilities will include: A BS & UK STATUTORY REPORTS A INVENTORY REPORTANALYSIS

A COSTING MANAGEMENT

A TREASURY MANAGEMENT

A FINANCIAL PLANNING

▲ SYSTEMS DEVELOPMENT A US MANAGEMENT REPORTING

Candidates, who should be qualified accountants aged 30-40 with experience of US reporting requirements, must be dynamic, self motivated and able to demonstrate strong interpersonal skills.

The company offers an attractive salary and benefits package which includes profit share, life assurance, pension and private medical insurance.

Interested candidates should apply in writing, enclosing a comprehensive C.V. to: Colin MacKay C.A., Douglas Liambias Associates, 163A Bath Street, GLASGOW G2 4SQ. Telephone: 041-226 3101.

LLAMBIAS

DOUGLAS

# Finance Director

**Brewing Industry** Circa £40,000 + package North of England

A progressive PLC with a turnover approaching £35 million, has interests in manufacturing, property and retail services. Our client now seeks to appoint a Finance Director to take full control of its finance function and to contribute positively to the company's direction and growth.

Reporting to the Chairman and Managing Director you will be responsible for maintaining high standards of financial control. The company is committed to a policy of steady and continuing growth and your involvement in its implementation will be significant.

You will be a qualified accountant probably aged 35-45. with a minimum of five years experience at a senior level. You will be able to demonstrate a successful track record and a consistently progressive career path; a solid

experience in computer based MIS would be an advantage. You will now be looking for a career move with PLC responsibilities.

The importance of this appointment is reflected in an extremely competitive remuneration package which includes an executive car and the usual benefits associated with e position of this

Candidates can apply in confidence, enclosing a full CV and current salary details, quoting reference MCS 89/15 to Oliver Overstall at: Price Waterhouse,

Management Consultants. York House, York Street, Manchester M2 4WS.

Price Waterhouse



# **Group Financial Controller**

**Expanding Pic** 

To £40,000 + BMW

Our client is a highly successful and expanding quoted public company operating in the service industry. It has an exceptional profits record and has recently completed a major acquisition and has further plans to expand

Based at the Group's headquarters and reporting to the Group Finance Director, the Controller will be a key member of a small high calibre team responsible for the accounting and financial control of the Group. The role will involve the preparation of the consolidated accounts for the Group and also the setting up of financial controls and systems for new companies acquired. In addition, the person appointed will also be required to undertake special projects and will be required to travel from time to time.

You will be a Chartered Accountant, ideally with a degree, probably in the age range 28 to 35, and you should have worked in a responsible financial role at the head office of a major public group. You must be highly motivated with strong leadership and intellectual qualities and be able to demonstrate first class technical and

The position, based in West Yorkshire, carries an excellent benefits package which reflects the importance of this key appointment. This is a new and high partite role and there is significant career development potential. If you are interested, please telephone Strart Adamson FCA on 0532 451212 or send your CV in confidence quoting reference 654, to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY.

### ADAMSON & PARTNERS LTD.

**Executive Search and Selection** 

# MANAGEMENT ACCOUNTING **MANAGER**

Package to £35,000 + car

One of the largest financial services groups in the UK, this major British public company is a market leader in branded financial products. Its business operations are highly decentralised and it is experiencing significant growth in both its home and international businesses.

This head office role reports directly to the Manager - UK Finance and offers an excellent entry point into this blue chip company at a senior level. Located in pleasant modern offices in the Northern Homa Counties, the person appointed will be responsible for the provision of an expense accounting and analysis service to the various business units. This will involve the

### Financial Services Sector

management of a team of up to 20 people and a major computerised support system. Candidates, who are likely to be qualified accountants aged 30-45, should have a record of progression within the head office of a large financial services or similar organisation. Good people management and communication skills are essential, together with exparience of computerised accounting

Please reply in confidence giving concise career, personol and salary details to Dovid Mundy, quoting ref: L410.

**Egor** Executive Selection 58 St. James's Street London SW1A 1LD (01-629 8070)

SELECTION

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### TREASURY SPECIALISTS **International Management Consultancy**

To £35,000 + car

functions.

This leading international management consultancy is expanding its highly regarded Treasury Group in London. The consultancy is continuing its exceptional growth and has an enviable reputation for high quality work. The Treasury Group handles challenging assignments for blue chip corporates, major

Treasury consultants will develop their skills as they work on a diversity of assignments including strategic reviews, the assessment and use of new instruments for trading and risk management as well as treasury computer systems applications. Concentrated exposure to a range of treasury issues and business problems provide consultants with

banks and smaller start up treasury

an enhanced learning curve backed up by considerable investment in training. Candidates must be of graduate calibre, probably in their late twenties or early thirties, with at laast two years treasury experience gained in a corporate or banking environment. They will need excellent interpersonal skills and adaptability to work with clients at all levels together with a commitment to personal and team success. The Consultancy's growth offers excellent career development opportunities.

Please reply in confidence, giving concise career, personol and salary details to Heather Mole, quoting ref: L409.

Egor Executive Selection 58 St. James's Street London SW1A 1LD (01-629 8070)

EXECUTIVE SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain

# **Commercial Director**

Thames Valley

Our client a major U.K. multi-national plc with diverse in- Applicants should be aged 30-40, qualified accountants hi-tech subsidiary in the Thames Valley.

They have recently acquired a company in a related business sector to augment the services offered by this subsidiary and the Commercial Director will be heavily involved in the integration process. The expanded company will have an Initial turnover in the region of £35m but is expected to grow rapidly in the short-term.

The successful candidate will report to the Managing Director and contribute to the overall growth of the business by taking a leading role in all commercial activities and strategic directions. They will also have overall responsibility for the finance function of the Company and their staff responsibility will approach 50 in all.

c£40,000 + Car + Benefits

terests, is seeking to recruit a Commercial Director for its and currently hold a senior financial position in a sizeable company. They must possess strong commercial bias in addition to proven man-management skills. The attractive benefits package will include a profit related

Interested applicants should write enclosing a comprehensive CV and daytime telephone number quoting Ref: 313 to Philip Rice, MA, ACMA, Whitehead Rice, 43 Welbeck Street, London WIM 7PG, Tel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

**ACCOUNTANCY & LEGAL** PROFESSIONS SELECTION LTD

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nge, scope and autonomy in turnaround situation. Opportunity for Board appointment

In 6-12 months with on-going career potential. ALPS

FINANCIAL DIRECTOR — **DESIGNATE** 

S. E. ENGLAND

£25,000-£30,000 + CAR

For this new appointment, to provide the additional expertise necessary to meet re-defined and ambitioue corporate objectives, we seek qualified accountants (A.C.A. or A.C.M.A.) and aged, 26-30. Post qualification experience must include exposure to and the ability to master the overall financial and commercial needs of a tight knit and tast moving business satisfying quality markets. A knowledge of PC based integrated financial management packages is essential and understanding of manufacturing systems will be en advantage. Reporting to the Managing Director and heading a small team, the successful candidate will be responsible for ell aspects of finencial management. This will include the design and implementation of the appropriate controle, information/reporting requirements, plus identification of business priorities with proposals for their attainment. Staff selection and development are of significant importance. The ability to make e major contribution to overall strategy and business direction is essential together with the will and capacity to achieve agreed targets with the minimum of guidence and supervision. Initial salary negotiable £25,000-£30,000 plus car, contributory pension, life assurance, medical insurance and assistance with relocation, if necessary. Applications in strict confidence under reference FDD 180/FT to the Managing Director: LUXURY PRODUCTS FOR THE GOURMET MARKET. MANUFACTURING SUBSIDIARY OF PROMINENT BRITISH PLC

3 LONDON WALL NOR DINGS, LONDON WALL, LONDON ECZIA SPJ. TELEPHONE 91-588 3588 or 01-588 3576. TELEX: 887374. FAX: 61-256 8501.



■ INSURANCE ACCOUNTANT

City. Salary c £20K plus Non-Contributory Pension and Medical

Chubb, a major US Insurance Company, is seeking an insurance accountant, preferably part-qualified, with working knowledge of the Insurance industry, for established UK branch of its expanding

Reporting to the UK Accounting Manager, major duties will include preparation of DTI Returns, management accounts, and VAT Returns. Experience of PC based software such as Lotus 123 also

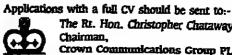
Self motivation and the ability to work to deadlines is essential.

Please apply in writing enclosing C.V. to: Susan Penny, BSC, ACA, Federal Insurance Company, 26-28 Fenchurch Street, London EC3M 3DQ

### Financial Analyst for Media Group

A Financial Analyst is required to work for the Executive Chairman of e rapidly developing Media Group. He or she will be required to analyse potential acquisitions and to help in the financial assessment of operating units. Working with senior management of the Group, the individual appointed will have every opportunity to lay the foundations for a career in broadcast management.

The successful candidate is likely to be in his or her mid-twenties and to have been trained in the corporate finance department of a leading merchant bank, stockbroker, or firm of chartered accountants.



The Rt. Hon. Christopher Chataway, Chairman. Crown Communications Group PLC,

22 Newman Street, London WIP 4AI

Un groupe Français de haut technologie recherche pour sa nouvelle filiale un

# Finance Manager

#### North Kent

c£28,000+Car

Our client is a rapidly expanding innovative French company, currently establishing itself in the UK. Their unique type of marketing network has already achieved explosive growth in France. Their system uses state-ofthe-art video graphics, generated and distributed by computer to promote goods and services.

The ideal candidate for this demanding No. 1 position is a young, French speaking qualified accountant who will thrive in the hustle and bustle of a start-up situation. Initially, as well as full financial responsibility, they will make commercial and organisational decisions across all aspects of the business, beyond the normal realms of

accounting. Their track record to date should demonstrate the ability to manage a situation of constant change whilst building a highly committed and motivated team. Interpersonal skills will be paramount as well as the ability to liaise with French and English personnel at all levels.

If you believe you can match the requirements of this outstanding opportunity telephone John Owen on (0372) 375661 (office) or (04868) 20705 weekends) or write to him, enclosing a full C.V. at

Michael Page Finance, Cygnet House, 45-47 High Street, Leatherhead, Surrey KT22 8AG (Fax No. (0372) 370101).

Michael Page Finance

International Recruitment Consultants

London Bristol Windsor St Albans Leatherbead Birmingham Nottingh Manchester Leeds Newcastle upon-Tyne Glasgow & Worldwide

# **Ambitious Group** Company Secretary

c.£35-£40,000+car You will probably be aged 35-45 and a member of a recognised professional body which could include a legal, accounting or company secretarial training. Your experience will preferably have been geined in a listed organisation as assistant secretary in a larger group or as secretary in a smaller but dynamic environment. You will now wish to extend your career in an acquisitive, fast-paced organisation. A knowledge of the electronics industry whits not essential, would be useful. Personal attributes will include commercial acumen, maturity, confidence and the ability to work with change. The organisation is highly committed but recognises their work is to be enjoyed, and the appointes will be expected to contribute to this ethos.

Reporting to the Finance Director, you will have the opportunity to develop the secretarial function, providing a full range of services including legal advice and general Abingdon

support to the Board. Specific areas of responsibility will include property, insurance, patents, pensions and employee benefit programmes (including associative plants), maintenance of statutory registers, annual returns and lisison with the stock exchange and professional advisors.

Peak pic is a growing force in the electroics market, apecialising in the application of technology in the fields of automation, measurement and combot through the use of advanced electronic and computer based solutions. The company has expanded rapidly and strategically on an international basis. Recent acquisitions have seen turnover grow from c. 25m in 1986 to a current level exceeding £50m with a healthy profit performance.

Please reply in confidence giving concee career, satary and personal details to: Brendan Keetlan, Ref. ER 166, Arthur Young Corporate Resourcing.

Arthur Young Corporate Resourcing

### **European Commercial/Finance Director Property**

### London

Our client is a major "blue chip" Group with substantial property interests across the U.K., Europe and U.S.A. Their portfollo includes some very prominent landmarks in major European Capitals.

They have taken the strategic decision to create a European Property Division which will report to the Group Chief Executive. A press announcement will be made shortly regarding the appointment of the new Managing Director for the Division.

They are now seeking to recruit a Finance Director. Ideally you will have broad based commercial experience beyond finance and in this event you would become the Commercial Director at the outset. In addition to technical excellence, which is pre-requisite, European language skills would be a decided advantage.

c£50.000 + Car + Benefits Applicants should be qualified accountants and have experience in commercial property or related areas. Probably aged 33-43, you will report to the Group Finance Director and will be based in Central London

with about 20% European travel. interested applicants should write enclosing a comprehensive Curriculum Vitae and daytime telephone number, quoting Ref: 318 to Philip Rice, MA, ACMA, Whitehead Rice, 43 Welbeck Street, London WIM 7PG.

Tel: 01-637 8736. Whitehead Rice

MANAGEMENT SELECTION

# **Finance Director**

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

HAYWARDS HEATH, TO £40,000 + CAR

The Mid Sussex Water Company and Its associate in West Kent supply water to some 400,000 consumers. Their financial departments have been combined at Haywards Heath and the two companies are now preparing for the challenge of phydisation. Both companies are owned by SAUR which is part of the Bouygues Group.

As Financial Director you will play a key role in this process. In addition to controlling all aspects of accounting and systems development there will be a major input to pricing, investment

appraisal, financial reconstruction and diversification activities.

You should already be operating at or near Board level, either within an industrial or service company or in the public sector. You must also be a qualified accountant with a real interest in the commercial direction of the business. Benefits include medical insurance and assistance with

Résumés including a daytime telephone number to Edward Simpson Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London

qualing Ref: ESS35 of Coopers &

Executive

Resourcing & Lybranc

### FINANCIAL DIRECTOR **EXCELLENT PROSPECTS**

LONDON

c £35K + CAR + BONUS

Our client is a highly successful and internationally respected computer company with a progressive dynamic management force. Having recently embarked upon an exciting phase of expansion they have identified the need for an energetic and ambitious Financial Director with the commercial awareness and flair to increase the profitability of the company.

This key position is seen as critical to the future development of the business. The successful candidate will represent the company to Financial Institutions and will concentrate Initially in the areas of Management Reporting and Budgeting, Treasury Management and Investment Appraisal, together with the Review of New Projects, Acquisitions and Expansion plans.

The company's managerial approach stresses Individual responsibility and training and you will be responsible for managing a young and enthusiastic Finance Department.

If you are a qualified Chartered Accountant aged 35-45 with significant 'hands-on' experience in a distribution environment, of Corporate Finance acquisitions and flotations and you are interested in learning more about this challenging role, please write with extensive C.V. quoting Ref AFC/FT/1 to Paula Manning, Littlejohn Frazer, 2 Canary Wharf, London E14 9SY

TRUST PARTNER DESIGNATE E40,000 CENTRAL LONDON

Our client, a medium street firm of Charbered Accountants meets an experienced individual that is cur-rently supervising a Trust Dept. in a firm of Chartered Accountants or Solicitors.

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'Hymer Assertines Etc.
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I nation. W.L. London, WL. Tel: 01-580-582

APPOINTMENTS WANTED

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# **Young Accountants**

Management Accounting, Investment Appraisal or Financial Systems Bias

Up to £25,000

These appointments provide a rare opportunity to join an organisation about to become one of the largest commercial concerns in the UK where turnover is measured in billions... and ambitious and talented professionals can make

**Management Accountants** 

These posts will provide challenging outlets for your management accounting experience whereby your professional sidls will be used in a proactive way. Key tasks will be varied and interesting and will involve performance appraisal. reporting and interpretation within a dynamic and fast moving environment. Investment Appraisal -

Here you will provide professional expertise and initiative in the use of various

techniques to identify the optimum allocation of resources, investment appraisal expertise will enable you to play a key role in development of investment programmes.

**Financial Systems** 

In developing and implementing accounting, management information and decision support systems, you will be able to draw upon your self motivation and interpersonal skills. Your experience to date must, therefore, include systems work involving both mainframe and PC applications.

Salaries will vary but the likely range is £20,000 to £25,000 and company cars may be made available for certain posts. In any case, large company benefits will include generous relocation assistance to a central Midlands area well served by the motorway network and will be adjacent to some of the finest open countryside in England

To find out more about these rare opportunities, please write with full career details to: Richard Town, Ref. CE 401, MSL Advertising, Sovereign House, 12-18 Queen Street, Manchester M2 5HS.

These details will be sent direct to our client, Please list on a separate sheet any companies to whom your details should not be sent. Offices in Europe, the Americas, Australasia and Asia Pacific.

MSL Advertising

Based in Papua New Guinea Substantial remuneration package

This is a key appointment in PNG with a British Company which has extensive interests in oil pain and coffee plantations and which is a subsidiary of a major international trading group.

The Finance Director will be responsible for all aspects of financial administration, accounting and currency management and the post carries considerable authority.

The successful candidate is likely to be aged between 30-45, must be professionally qualified and preferably will have overseas experience. An interest in

agriculture is desirable. The attractive remuneration package includes free housing and medical cover.

assistance with school fees and six weeks annual leave.

Applicants should write, with full C.V., to Quigley & Associates, 16-18 St. John's Lene, London ECIM 4BS. Tel: 01-253 4242. Please quote Reference F/FD. All replies will be treated in the strictest confidence. Interviews will be held in London, Australia and Singapore.

> QUIGLEY & **ASSOCIATES**

Corporate and

# Company Accountant

London/Surrey Borders £23,000 + Car + Benefits

Our client is highly regarded and long established, the largest independent company in its sector. They operate in a very specialised area of the advertising industry and they can count many of the top advertising agencies as their clients, as such they undertake work for many blue chip companies.

They are entering the next phase in the development of their business and anticipate a significant increase in turnover in the next few years; this will be achieved by a mixture of organic growth

They now need to appoint a key individual who will be part of the management team and who will take full control of the management of the accounting

Possibly a ACMA, ACCA, ACA or even part qualified with a background preferably in manufacturing you will be looking for an opportunity to join a dynamic forward thinking company. Your continuing success in this role will provide long term opportunities for career advancement.

To apply in the strictest confidence please telephone or write to Robin Rowe quoting reference 013 to 160 New Bond Street, London W1Y CHR, Telephone 01-499 7761.

Hacker Young (1)

EXECUTIVE SELECTION -AMEMBEROFTHE OLR GROUP -

Company situated close to London Bridge station. Require Qualified Accountant. For further details ring Helen Blackburn Campbell Appointments (rec cons) 0239-615138

ACCOUNTANT

£25,000 plus Co Car + benefits



### **FINANCIAL CONTROLLER**

Salary to £25,000+Car & Bonus

The major operating subsidiary of a privately owned group of companies distributing electrical and electronic components, now wishes to strengthen the provision of effective financial and management accounting services through this new appointment, reporting to the Financial Director.

experience in a small/medium sized company covering the full range of management and financial accounting in a computerised environment. Your ability to contribute towards the development of the business will be rewarded by a generous remuneration

ideally you will be qualified, aged 30-40 years with

10-12 Cardia S

Accountancy Personnel



package tailored to suit your needs.

Placing Accountants First

Hays AHARE PERSONNEL SERVICES LIMITES

c £28k + quality car

### FINANCIAL CONTROLLER

**Home Countles** 

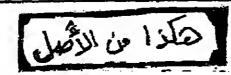
A unique and rare opportunity for a 'pro-active' 30-40 year old, preferably qualified with Industrial/commercial exposure, to take full control of the accounts function within a small and efficient service company with a good reputation in the field of international

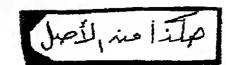
Reporting direct to the MD, must be prepared to adopt a 'hands on' approach, provide a support advisory role to clients and travel abroad. Experience of computer based systems is essential.

In the first instance, please contact David Holbrook, Principal Director, who is advising on this appointment. Alternatively, write giving brief career details.

INTEGRATED BUSINESS SUPPORT GROUP

BUSINESS COUNSELLING - PERSONNEL SERVICES - TRAINING AND DEVELOPMENT SHIRE HOUSE, WALTHAM ROAD, OVERTON, HAMPSHIRE, RG25 3NJ TELEPHONE 0256 781673 FAX 0256 771475 Licensed annually as an Employment Agency No. SE9679





# **GROUP** FINANCIAL DIRECTOR (Des.)

London c.£40,000+car+share options

Our client is a young ambitious company, high profile on the USM, and acknowledged as a market-leader in the distribution of fast moving consumer goods. The company has exciting plans for growth, organically and by acquisition, both in the UK and on Continental

A Financial Director (Designate) is now required who, reporting to the Board, will be responsible for all aspects of financial ent and control.

For this challenging key role we are seeking a young, qualified accountant preferably chartered, with several years' post qualification track record.

industry and should have a confident personality, good communication skills with strong commercial awareness, a thorough understanding of accounting and managem techniques and sound computer expertise.

Please write in confidence enclosing full career details, quoting reference H5673 to Hilary

experience and a proven and impressive Candidates may come from the profession or

Our client will have sight of all applications and candidates should, therefore, indicate any organisation they do not wish to consider.

# **KPMG** Peat Marwick McLintock

**Executive Selection and Search** 70 Fleet Street, London EC4Y 1EU

# **GROUP TAXATION ASSISTANT**

**MERCHANT** BANKING

**CITY** 

£30,000 + package

### This well established and diversified merchant banking group with a substantial international presence wishes to recruit a recently qualified Chartered Accountant to join their small high profile tax department.

The role will involve responsibility for bringing in-house the compliance and tax planning work of many of the companies within the group. There will be opportunities for involvement in all areas of the group's taxation affairs including VAT and international tax.

The successful candidate should have a good academic background with an active interest in corporation tax. To succeed in this demanding position the individual must be self motivated and able to communicate effectively at all levels.

This outstanding opportunity is supported by an excellent remuneration package.

To discuss the position in further detail, call Raj Munde ACA on 01-629 4463. Alternatively write to him at the address below quoting Ref RM800.

### HARRISON # WILLIS

FINANCIAL RECRUITMENT CONSULTANTS

Cardinal House, 39-40 Albemarle Street, London WIX 3FD.

# Director & Chief Accountant

To £28,000 + car + bonus North London

> Our client is an autonomous business within an acquisitive and expanding PLC. The business produces high quality specialist components for the electronic industries primarily in the UK and the USA and is now appointing a Chief Accountant who will play a leading part inthe growth strategy of the business.

As the senior financial manager, the Chief Accountant will have responsibility for the financial efficiency of the business including contribution to commercial decisions, control of the finance team and on-going systems development.

Candidates will be qualified (aged 27-35) with at least 2 years' exposure to a manufacturing unit and preferably experience of a PLC or international group.

Please contact initially (quoting ref 7338) Jeff Adoock, 01-353 1577, Clark Whitehill Consultants Limited, 25 New Street Square, London EC4A 3LN.

CLARK WHITEHILL

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LANCETT FEE

Executive Selection

# Financial Controller

High Technology **Products & Services** North East, c £30,000, Car

One of the success stories of the region, this rapidly growing group now employs nearly two hundred people and is poised to report another record year. The organisation is seeking a young qualified chartered accountant to assume control of record year. The organisation is seeking a young qualified chartered accountant to assume control of the central finance function which otilises fully integrated computerised accounting systems. Reporting to a main board director, this role carries responsibility for the group's entire finance ectivity including the administration of management accounting procedures, treasury management, budget preparation, forecasting and planning via the control of a small professionally qualified team. Candidates aged over 28 will be expected to have an open, participative style with the ability to operate in a dynamic, fast moving environment and particularly in a structure which allows individuals at all levels to contribute to the company's growth. In view of the expansion plans you should be able to operate externally with confidence, ideally have industry experience and be well aware of public sources of funding. As the most senior financially qualified individual within the company you will immediately be part of the group's senior executive management committee and there are clear prospects for formal advancement in the short term.

Male or female candidates should submit in

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Parsonal History Form to: R.P.T. Hills, Hoggett Bowers plc, 4 Mosley Street, NEWCASTLE UPON TYNE, NE1 1DE, 091-232 7455, Fax: 091-261 8438, quoting Ref N18006/FT.

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDEFF, EDENBURGEL GLASGOW, LEEDS. LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR A Member of Blue Arrow plc

### **Financial Director Designate**

**Basildon** 

£30,000 minimum

A rapidly expanding private publishing systems company and computer dealership with annual sales of £5M seeks an ambitious financial director designate, capable of taking the group to the Stock Exchange. Reporting to the board of directors, the successful candidate will be responsible

 financial and management accounting; day to day control of the accounting function;

a day to day control of the administration, purchasing and stock control function;

further development of management information systems.

Applications are invited from highly motivated, qualified accountants, aged 28-35, with sound experience in computerised accounting systems and proven ability to manage and motivate staff.

Please send a comprehensive career résumé together with salary history and daytime telephone number, quoting reference 3021, to Vivienne Hines, Executive Selection Division.

### **△** Touche Ross

Thavies Inn House, 3/4 Holborn Circus, London ECIN 2HB. Telephone: 01-353 7361.

# DIRECTOR OF FINANCE

National Newspapers - circa £35,000 plus car

The British Newspaper Printing Corporation has made a major investment in the most advanced printing equipment throughout the United Kingdom. As part of the high profile Maxwell Communication Corporation, BNPC produces the Daily Mirror, Sunday Mirror, The People and other newspaper format publications.

We now need a professional who can operate in a fast-moving environment and assume full accountability for the Finance Department of the largest operating Company within BNPC. Reporting to the site General Manager your prime areas of responsibility will be to operate tight financial controls and provide up to the minute management reports and financial appraisals of key issues. You will be taking your place in a highly commercial environment, managing a staff of twelve. You will therefore need a "hands-on" approach and be computer literate with experience of the implementation of computer systems. The additional responsibilities of developing profitability and systems enhancement mean that you should be fully qualified and have gained a minimum of three means commercial experience.

years commercial experience. If you meet the profile as outlined and wish to apply for this challenging position,

write now with full cv quoting current salary to: Mr G M Bentley, Head of Personnel, BNPC (Watford) Limited, St. Albans Road, Watford, Hertfordshire WD2 5RG.



British Newspaper Printing Corporation plc

# **Appointments Advertising** appears every

Legal Appointments Wednesday - General Appointments Accountancy Appointments

# Corporate Finance

financial advisory firm looking to expand its Corporate Advisory team within its Corporate Finance Division by recruiting professionally qualified graduates with

Successful candidates will have at least two years' experience in the corporate finance department of a top merchant bank or stockbroker. They will be able to demonstrate experience in public take-over work, capital raising, the regulatory environment and general corporate advice. A commercial outlook and an ability to market are essential.

An attractive and competitive rea package is offered reflecting the importance of the role and its career

Please write giving full details to: Nicholas A Morriss, Deloitte Corporate Finance, Hillgate House, 26 Old Bailey, London

Deloitte Haskins+Sells

#### CORPORATE FINANCE EXECUTIVE MAJOR RETAILING FMCG GROUP

NORTH LONDON

A young entrepreneur is sought by the Divisional Finance Director of this substantial group. Your highly varied hiref will include the provision of advice on rationalisation projects, assisting with mergers and acquisitions, and providing market intelligence reports. You should be ACA/MBA, aged to 30, with experience gained in the corporate advisory division of a top eight firm or as a business analyst in a dynamic, fast moving commercial group. Ref: DC

### **BUSINESS ANALYST**

CTTY £23 - £25,000 + car Our elient is one of the most prestigious banking and financial services groups, highly diversified and highly profitable. Acting as the liaison point between the finance and trading areas, you will provide a comprehensive business analysis service. interpreting both corporate and product profitability. The client views this as an high profile role, ideally suited to a newly/ recently qualified accountant and who is seeking con-accounting role as a route to general management. Ref: NH

#### INTERNATIONAL OPERATIONAL REVIEW

CENTRAL LONDON £23 - £25,000 + car Our client specialises in advanced materials technology and seeks to grow by developing existing business, ourturing new ones and by acquisition. Their Corporate Audit Division is expanding to by acquisition. Their Corporate Audit Livision is expanding to ensure that effective fioaocial cootrols are implemented. Travelling to the States, Europe and the Far East, you will assist in that expansion programme and after 18 months you can expect a Controllership in the UK or overseas, Currently, you should be finalist or recently qualified ACA. Ref: NH

### STRATEGY CONSULTANT

CENTRAL LONDON The client is a highly respected and leading international firm of strategic consultants. Your assignments will provide exposure to strategic and profit planning, management buy-outs, acquisitions and fund raising. You should be aged 27 to 33 with a record of outstanding achievement in a top international accountancy firm, and perhaps subsequently with a blue chip or industrial company. Ref: DC £35 - £40,000 + car

For forther information, please call 01-831 4447 or write, enclosing your C.V., to the address below.

### ACCOUNTING FOR SUCCESS Hanover House, 73-74 High Holtom, London WC1V BLS Yeb 01-831 4447 Parc 01-430 1435

### Accountant/Financiai Controller

We are a growing retail company based in Sheffield and aiming for the U.S.M. in 1990. We are now seeking to make a new key appointment to assist in achieving this objective.

You must be a qualified accountant capable of taking the lead in upgrading the accounting systems and refining the financial and management information. You will probably be in your mid/late 20s prepared to dedicate yourself to achieving the highest standard and anxious to take an active role in a young and determined team.

You will probably be bored where you are now.

We are offering a salary of up to £25000 p.a. plus car and an intense environment where you will rapidly see the results of your input.

Please reply to: Robin Silver **BKPT Clothing Co Ltd** 19 Charles Street

Sheffield S1 2HS

#### HIGH FLYER £30,000

ACA, Ideally aged 24 to 30, to join small/medium sized firm of Chartered Accountacts. 1st Class Prospects.

In the first instance please contact David Patoc on 01-580 5522, alternatively,

write to: Executive Search Division, Hynes Associates Ltd, Wells House, 77-79 Wells Street, Londoc Wi

#### CORPORATE FINANCE? c£21,000

Our Client, a leading medium sized firm of Chartered Accountants, seek a recently qualified ACA to join thair Corporate Finance Department. There wiii be considerable opportunity to gain a great deal of responsibility at an

early age. In the first instance please contact: David Paton on 01-580 5522, alternatively. write to: Executive Search Division, Hynes Associates Ltd, Wells House, 77-79

Weils Street, London W1.

# - QUALIFIED ACA -MAJOR UK BANK

#### Central London

Package to c.\$30,000 + CAR

Providing specialist financial services to the UK personal and corporate markets, and with an unrivalled reputation in the fields of investment, domestic and international banking, this prestigious client is one reputation in the fields or investment, of the UK's leading financial institutions.

A new and exciting career opportunity now exists for an ambitious accountant to work within the bank's central finance function.

Liaison with various divisional sectors will necessitate familiarity with a number of key accounting issues, and there will be a considerable degree of exposure to both analysis and investigations. You will gain immediate broad-based exposure to a number of management reporting activities, in the provision of operational support. This key role will therefore demand a strong technical background, allied to an appreciation of both US and UK accounting procedures.

Suitable candidates will be graduate Chartered Accountants aged between 26 and 29. Ideally, you will possess between two and three years' post qualification experience, and have worked with a big eight firm. This is an excellent entry point into an organisation where career development prospects extend throughout the entire bank.



Interested applicants should contact Gerald Whiting on 01-488 4114 (01-488 9362 evenings/weekends), or write, enclosing a full CV, to Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN quoting Ref: A272.



### APPOINTMENTS

**ADVERTISING** 

For further information call 01-873 3000

Candida Raymond ext 3351

Deirdre McCarthy. ext 4177

Paul Maraviglia ext 4676

Elizabeth Rowan ext 3456

Patrick Williams ext 3694

Patrick Sherriff ext 4627

# BASED SLOUGH

Yellow Pages Sales Limited are a wholly owned subsidiary of British Telecom. With a turnover in excess of £100m and over 600 employees, we are enjoying an extremely successful period of growth.

We are seeking a Budget and Management Accounting Manager to be responsible for the production of management accounts, budgats and forecasts in order to monitor and control our

Reporting to the General Finance Manager you will also be responsible for 7 staff with 2 direct subordinates.

You will be a qualified Accountant, ideally with 2 years post qualification work experience, possess good interpersonal skills, and man management experience.

We can offer a good starting salary, a fully expensed company car, free life assurance, contributory pension scheme, 22 days holiday, free private medical care and excellent career prospects. Please send full C.V. with an Indication of current salary to: Miss Peta Scott, Central Personnel Manager, Personnel Department, Yellow Pages Sales Limited, Directories House, Sussex Place, Slough, Berkshire St. 1 1NQ.



### Creating the Platform for **Tomorrows** retailing

Rumbelows, part of the international Thorn EMI Group, is a clear leader in the electrical retail business. We are rapidly developing our existing 450 branch infrastructure and expanding our scale of operations.

RUMBELOWS

IN TOUCH WITH YOUR FUTURE

The Alliance Paper Group is the

several locations serviced from a

merchant in the UK. The head office is

in Manchester from where it controls

central warehouse. Although formed

over fifty years ago the company has expanded from a turnover of £8m in

1984 to a target of £50m for this year.

impressive and a listing is planned for

This rapid expansion has generated

the need to strengthen the Board by

accounting, computing, treasury and

management information matters. Of

equal importance will be your role in

opportunity to fully demonstrate your

working closely with other senior executives on the further development

of the Group, giving you the

general business acumen.

appointing an individual, male or female, with overall responsibility for

Growth in profitability is equally

largest privately owned paper

### MANAGER -MANAGEMENT ACCOUNTING c£26,000 + ccr

It's a fast-moving environment where effective management control is vital to future growth. An ive manager is now sought to take a broad, operations-based overview of all management eccounts. Reporting to the Financial Controller, you will be in cherge of exeam of four Accountants and have core responsibility for the preparation of the monthly forecast, company budget, monthly management accounts end halp to prepare the five year plan. The wide-ranging brief also involves providing proactive financial inputinto commercial

analysis and preparing ad-hoc analysis and raviews. A quelified Accountant, you will ideally have e background in an fracg or retail environment; you must have at least 4 yeers' relevant accounting experience in en operating company. PC literacy and experience of mainframe reporting will be essential and must be compleme leedership and interpersonal sidils.

This is a high profile position providing an excellent Group. An excellent salary is offered together with e valuable benefits package including choice of e fully expensed quelity car and private medical cover. Relocation assistance available.

To apply, please write with full CV to:-See Kenningham,

Naturally this crucial appointment

Probably aged 30/40, you will ideally

be educated to degree level. You must

involvement in the management of an

organization which operates in a fast-

demands a qualified accountant.

moving commercial environment.

be able to show significant

Previous experience of the

advantageous.

development of computerised

accounting systems would be

package, including relocation

assistance where appropriate.

To find out more write to John

In addition to a challenging and

remunerative career, the company offers a comprehensive benefits

Prestwich, Chairman, Alliance Paper Group Ltd, Wardley Industrial Estate Worsley, Manchester M28 5NJ

Alliance Paper

Group Ltd

Rumbelows Ltd., Trinity House, Trinity Lane, Welthem Cross, Herts ENB 7DS. or telephone (0992) 31988 for an application form.

Group Finance Director

### Société Générale-Fimat

### Senior Accountant Excellent salary + benefits package with car

Firmat is a wholly-owned subsidiary of the French International Banking group, Societe Generale, and is responsible for the Banks operations in the Futures

Markets. With existing operations in Paris and Chicago, Fimat is seeking to recruit an experienced senior accountant with ACA qualifications for the UK. Knowledge of regulatory reporting techniques is essential, and we would welcome applications from candidates with a

Financial Futures background. In the first instance, please apply in writing, together with a full C.V. to:- Mr K Ferris, Fimat (UK) Ltd, Warnford Court, 29 Throgmorton Street, London

Applications will be treated in the strictest confidence.

# SOCIÉTÉ GÉNÉRALE

# FINANCIAL

### BERKSHIRE

to £30k plus car

Our client, part of a major public foods group, is a specialised retailing business operating from numerous locations throughout the South.

The Financial Controller, who will be a member of the senior management team, will have full responsibility for the finance function in this fast-moving business, including the further development of computer-besed information systems. He/she will be expected to influence and work closely with line managers to echieve business objectives and will supervise

around 20 professional stuff. Candidates must be qualified accountants with a background in a fast-moving sector such as food manufacture or retailing and with some exposure to multi-site operations. A strong track record in man management is essential, backed up by excellent communication

skills. Age envisaged is 30-45.
Please apply in confidence with full curriculum vitae, quoting reference 466/4, to Bernadette Laffey at Charles Barker Selection, 30 Farringdon Street, London ECAA 4EA. Tel: 81-634 1354.

# CHARLES BARKER

# Young **Financial** Controller

Publicly Quoted Group

Hertfordshire, To £26,500, Car, Executive Benefits Our client is an expanding group, operating principally in the UK Building Sector with interests in California and Europe. An impressive growth rate has enabled this business to achieve a turnover in excess of £200 Million.

turnover in excess of £200 Million.

An excellent career opportunity has arisen for a recently qualified Chartered Accountant to join their innovative Head Office Manegement team. Reporting directly to the Finance Director you will review monthly accounts, cash flow and budgets of the operating divisions, prepare the group interim and full year accounts, and handle project work relating to acquisitions and disposals. The successful applicant will offer sound The successful applicant will offer sound technical ability in both financial accounting and texation matters. This challenging position seeks a commercially aware Accountant with a keen analytical mind who can make a vital contribution to the success of the business. Executive benefits package.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to: B.E. Boylan, Accountancy Division, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB. 01-734 6852, Fax: 01-734 3738, quoting Ref. K16010/FT.

# Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEOS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFELD, WINDSOR A Member of Blue Arrow plc

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# COMPANY NOTICES

SWEDISH MATCH AB The annual general meeting of Swedish Match AB will be held on Monday April

Shareholders who wish to attend the general meeting must be recorded in the share register maintained by the Swedish Securities Register Centre (Vardepapperscentralen VPC AB) no later than Friday April 14, 1989 and must notify the Board of Directors of their intention to attend no later than 4:30 p.m. ion to attend no later than 4:30 p.m. ednesday April 19, 1989. The notifi-of attendance should be mailed to: Swedish March AB.

Box 16100, S-103 22 Stockholm or by telephone + 46 8 22 06 20.

DIVIDEND

Provided that the annual general meet-ing approves the Board of Director's pro-posed record day of Thursday, April 27, 1989, dividends are expected to be paid

THE HONGKONG AND SHANGHAI BANKING CORPORATION

Primary Capital Undeted Floating Rate Notes Notice is hereby given to the holders of these notes that copies of the Assend Report and Accessed of the Bank for the year ended 31 Docember 1988 are available at the office of the Bank at 99 Bishopsgate. London EC2.

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### **PUBLIC NOTICES**

# BHP

DIVIDEND ANNOUNCEMENT

# FINANCIALTIMES

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Please state if interested in over 25 items

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inc. Bonus + Car

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c£30k

based

# Manufacturing and Contracting

FINANCE DIRECTOR

Our client, a £15m business in electrical engineering, is part of a fast-expanding acquisitive PLC with exciting splans for further development and entry into EEC markets. This post calls for a qualified accountant, Chartered or Cost and Management, to play a key role

Candidates must understand the financial, commercial and production aspects driving a manufacturing

The salary will be around £30k including bonus, quality car with free petrol, pension and health care schemes. Relocation assistance will be given where appropriate.

Building, 20 Victoria Street, Nottingham NG1 2EX, naming any company to which you would not wish your application to be forwarded.

in the introduction of a new computerised financial and management information system.

Applications will be dealt with in the strictest confidence. Please write enclosing full career details, quoting ref. CRS 18207, to Bronwen Jones, LBW Ltd., Imperial